

# Housing in Alberta: Seminar Summary

Research and Working Paper No. 29

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by Deborah M. Lyon & Tom Carter  
1987

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The Institute of Urban Studies





THE UNIVERSITY OF  
WINNIPEG

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**HOUSING IN ALBERTA: SEMINAR SUMMARY**

**Research and Working Paper No. 29**

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The Institute of Urban Studies is an independent research arm of the University of Winnipeg. Since 1969, the IUS has been both an academic and an applied research centre, committed to examining urban development issues in a broad, non-partisan manner. The Institute examines inner city, environmental, Aboriginal and community development issues. In addition to its ongoing involvement in research, IUS brings in visiting scholars, hosts workshops, seminars and conferences, and acts in partnership with other organizations in the community to effect positive change.

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Deborah M. Lyon

and

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PREFACE

The Institute of Urban Studies has, as one of its major commitments, the advancement of research in the field of housing. Under the leadership of our Assistant Director - Dr. Tom Carter - and our former Research Officer-Deborah Lyon - the Institute organized and convened the first of a series of seminars on housing in April 1986 in Manitoba. This is a summary of the discussion at the third housing seminar, which was held in Edmonton, November 1986. It is our hope that these initiatives will be of benefit to all the various interests concerned with housing.

The Housing Seminars are designed to fulfill part of our mandate as a CMHC sponsored research centre. While the Corporation is not, of course, responsible for the contents of this summary, the Institute does wish to acknowledge its on-going support.

Finally, I encourage readers to write us regarding any of the information contained in these pages. We are anxious to have feedback.

Alan F.J. Artibise  
Director



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## 1.0 INTRODUCTION

Adaptation and dislocation in a boom-bust economic context were the dominant themes of discussion during a seminar on Housing in Alberta held in Edmonton in November 1986 under the sponsorship of the Institute of Urban Studies and Canada Mortgage and Housing Corporation.

The 1 1/2-day event occurred in the midst of the second serious downturn to afflict Alberta's economy in the 1980s, and shortly after the provincial government announced several restraint measures to cope with a projected \$3 billion deficit for the 1986-87 fiscal year.

Some 30 participants from government, financial, development, consulting and academic organizations reviewed a wide range of housing issues - including developments in elderly persons' and special needs housing; research; renovation activity, and training/upgrading programs. However, discussions consistently turned to the impacts of sharp economic reversal on government and industry perspectives, decision-making and structures; consumer expectations and behaviour, and the market outlook for housing.

Participants stressed that fundamental changes in the marketplace and in public policy have resulted from Alberta's experiences over the past 10 to 15 years. Construction starts are a fraction of their unprecedented levels in the latter 1970s when rates of economic and population growth, driven by rising oil prices, were reaching their peak. Much of the inflationary gain made in housing values has been eroded, and the financial difficulties of mortgage holders in both ownership and rental markets have had widespread ramifications for financial institutions and public policy. Industry fragmentation has resulted in fewer and smaller firms operating in geographically and functionally limited housing markets. The provincial government's role has shifted from active intervention to ensure adequate supply, especially of moderate and low-income housing, to management of an extensive and somewhat troubled portfolio.

Prospects for relief from depressed conditions are not positive over the short term. While hope was expressed that recovery would lead to a more stable equilibrium, especially in the housing sector, there was little evidence offered that Alberta is any less subject to the vagaries of international oil and other commodity markets than it has been during the most recent periods of boom and bust.

A summary of the informal seminar presentations and discussions is presented below. Appendices A and B contain the agenda and list of participants; Appendix C contains background demographic and housing data.

## 2.0 SOCIOECONOMIC OVERVIEW

Pessimism was mixed with some optimism during review of key demographic, social and economic factors affecting the outlook for Alberta's housing sector.

Over the short term, economic decline and prospects of increased taxation point to weak growth in personal income and consumption, while demographic factors point to lower demand for accommodation, particularly for rental units and for starter homes, the builders' traditional "bread and butter." However, seminar participants were assured that there is economic life in Alberta after oil, and that both government and the housing industry are much better positioned to adapt to the current downturn compared to their situations during the recession of the early 1980s. Even worst-case scenarios indicate that there will be net growth in households and limited demand for housing. Moreover, new investment and improved efficiency may result as the oil industry emerges from its current retrenchment.

Seminar discussions about market trends focussed on economic conditions. However, note also was made of two key demographic factors:

- Over the next two to five years, loss of population and negative growth in household formation among the 15 to 24-year-old age cohort point to lower demand for rental accommodation and starter homes (see Tables 1 and 2). While participants were cautioned to not underestimate the propensity of households to 'undouble' under

TABLE 1

## Alberta Population by Age Grouping

Age Group	Population			
	1985	1988 (Projected)	Change	% Change
<14	569,700	587,100	17,400	3.1
15-24	414,300	367,900	-46,400	-11.2
25-34	485,200	492,600	7,400	1.5
35-44	322,500	368,300	45,800	14.2
45-54	211,800	227,000	15,200	7.2
55-64	173,600	181,200	7,600	4.4
65+	192,300	208,200	15,900	8.3
TOTALS	2,369,400	2,432,300	62,900	2.6

SOURCE: Presented by Alberta Municipal Affairs; based on data from the Alberta Bureau of Statistics.

TABLE 2

## Estimated Growth in Households by Tenure Type, 1985 to 1988

Age Cohort	Tenure Type		Total Household Growth
	Owner Households	Rental Households	
15-24	-2,500	-9,100	-11,600
25-34	1,100	900	2,000
35-44	18,300	6,200	24,500
45-54	5,900	1,400	7,300
55-64	3,200	800	4,000
65+	5,800	2,300	8,100
TOTALS	31,800	2,500	34,300

SOURCE: Alberta Municipal Affairs.

more favourable economic conditions, the loss of 15 to 24-year-olds and only modest growth in the 25 to 34-year-old age cohort mark a significant shift in the demographic structure of the marketplace relative to the experience of the past 10 to 15 years. High growth areas are now in the 35 to 54-year-old cohorts, reflecting the influence of the post-war baby boom generation, and in the 65-plus cohort. These developments point to potential in the move-up, ownership market and in demand for luxury rental accommodation.

- Without significant economic recovery, Alberta will continue to experience net out-migration of young people and others seeking opportunity elsewhere. In the mid 1970s to early 1980s, in-migration fuelled the province's population growth, far out-pacing the level of natural increase. That abruptly changed in 1982 to 1984 when significant levels of out-migration began to contribute to a 'free fall' in housing markets (see Table 3).

## 2.1 Economic Overview

During the 1960s, Alberta experienced fairly stable growth. Migration generally was positive and unemployment was low. With the boom in the oil sector in the 1970s, in-migration mushroomed; the gross domestic product (GDP) expanded rapidly; business investment was strong and unemployment low relative to elsewhere in Canada. In 1979, growth in the GDP peaked at 10.6 per cent. Among the results was an unprecedented level of housing activity with annual starts ranging between 38,000 and 48,000 units from 1976 to 1981 (excepting 1980 when starts were about 32,000 units).

At the turn of the decade, growth was still positive, in-migration strong, and unemployment low. The common expectation was for continued increases in oil prices and Alberta's GDP, but in 1982 the boom ended abruptly as oil prices dropped and domestic interest rates soared. Alberta's GDP went from plus four per cent to negative growth (-4.6 per cent). The province experienced heavy out-migration and increasing unemployment. The housing industry was caught in an overbuilt situation with some 2 1/2 years of inventory in Edmonton and Calgary. By 1984, the level of starts in the province had slumped to some 7,300 units. Housing values and rents had fallen while apartment vacancies had risen substantially.

TABLE 3

## Population Growth in Alberta

<u>Year</u>	<u>Total Growth</u>	<u>Migration</u>		<u>Natural Increase</u>	
		<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
1976	73,400	51,700	70.4	21,700	29.6
1977	71,700	48,900	68.2	22,800	31.8
1978	71,900	48,400	67.3	23,500	32.7
1979	80,800	57,100	70.7	23,700	29.3
1980	92,600	66,600	71.9	26,000	28.1
1981	86,000	56,100	65.2	29,900	34.8
1982	46,700	14,700	31.5	32,000	68.5
1983	10,200	-22,700	-	32,900	-
1984	- 800	-32,200	-	31,400	-
1985	22,300	- 8,400	-	30,700	-
1986 <sup>1</sup>	19,600	- 8,900	-	28,500	-
1987 <sup>1</sup>	13,000	-14,800	-	27,800	-
1988 <sup>1</sup>	30,000	3,000	-	27,000	-

**SOURCE:** Presented by Alberta Municipal Affairs; based on data from the Alberta Bureau of Statistics.

**NOTE:** <sup>1</sup>Projected.

Modest recovery was interrupted in 1986 by another disruption in international oil prices/markets. The year was expected to close with the GDP down by -4.0 per cent, and the provincial government was projecting a budget deficit of \$3.1 billion for its 1986-87 fiscal year. Personal expenditures and business investment declined. Layoffs in the oil sector and cuts in government spending were expected to push up unemployment in 1987. While the number of mortgage foreclosures peaked in 1985, there was a modest increase in statements of claim in the latter part of 1986. Final orders also were expected to increase due to foreclosure activity in rural and northern resource centres.

The next two to four years hold limited prospects for growth, seminar participants were told. A key factor will be Albertans' reduced ability to consume as they are pressed by unemployment and/or weak growth in personal incomes. Unlike the earlier recession, the provincial government does not have the funds for ad hoc subsidies to help offset the impact of the slump. Indeed, it is likely that the province will increase taxation to compensate for lost oil revenues; in turn, putting further pressure on disposable incomes.

At the same time, it was argued that overly pessimistic projections are being made about the impact of the current downturn, especially in terms of job loss. While conditions are serious, and many individuals and firms will suffer, seminar participants were told that there are several factors at play which could prevent a repeat of the severity of the decade's earlier recession, and result in a healthier oil sector.

#### 2.1.1 **Impact on Employment**

Two scenarios were outlined. The mid-case scenario (see Table 4) assumes oil prices would firm up at \$18 to \$20 U.S./barrel in 1986 - an assumption supported by indications that this is the level at which the international oil cartel perceives that the maximum economic rent can be extracted without



TABLE 4

**Potential Impact of Lower World Oil Prices on  
Employment and Migration in Alberta**

	<u>Mid Scenario</u> <sup>1</sup>	<u>Worst Scenario</u> <sup>2</sup>
	(persons)	
Total Employment Loss		
Alberta	31,700	63,300
Calgary	12,100	24,100
Edmonton	9,400	18,800
Remainder of Province	10,200	20,400
Out-Migration		
Alberta	56,300	117,400
Calgary	18,500	40,800
Edmonton	23,900	44,600
Remainder of Province	13,900	32,000

**SOURCE:** Clayton Research Associates.

**NOTES:** <sup>1</sup>Most of the estimated employment loss and out-migration would occur within two and three years, respectively.

<sup>2</sup>Most of the estimated employment loss and out-migration would occur within three and five years, respectively.

encouraging production and/or exploration by higher cost sources, including Alberta. The worst-case scenario assumes oil prices would remain at very low levels for at least two to three years (i.e., in the range of \$10 to \$15 U.S./barrel).

Under the former scenario, some 31,700 full-time jobs would be lost from the Alberta economy over two years. This would include about 12,000 jobs in the oil and gas sector. Under the worst-case projection, some 63,300 jobs would disappear over a three-year period, including 25,000 from the oil industry. This would translate into a 30 per cent decline in employment in the industry, and some six to seven per cent in the overall labour force.

These projections contrast with other estimates of job loss exceeding 70,000; and with the province's experience in 1981-84 when some 61,000 full-time jobs disappeared but 24,000 part-time positions were created.

It appears the mid-case scenario is somewhat optimistic, seminar participants were told. Oil prices likely will remain in the \$15 to \$18/barrel price range over the short term, and prices may be volatile. An estimated 25,000 jobs already had been lost in 1986 - perhaps more hidden by early retirements, self-employment, job sharing and part-time employment. The main impact will continue to be concentrated in Calgary and Edmonton, with the latter city taking the brunt of the induced effects and, thus, susceptible to a more prolonged period of high unemployment.

#### 2.1.2 Outlook for the Oil Sector

Given the above projection for oil prices, it is anticipated that firms in the industry will want to be able to take on short-term opportunities that are not too capital intensive. Over time, conventional oil activity can be expected to increase and Alberta may begin to appear relatively more attractive to new investment than Atlantic Canada, the Beaufort Sea or Colorado shale. By the latter part of 1986, a limited movement of U.S.-based firms back into Alberta had been detected.

At the same time, Alberta's oil industry is perceived as relatively high cost and inefficient - in part because of the proliferation of firms that occurred when the National Energy Program was in effect. Whereas there were 200-plus firms based in Calgary prior to the program, there are now more than 600. Elimination of the less efficient producers would contribute to a healthier industry over the longer term although downsizing may not be positive in light of some of the other objectives advocated for the domestic oil sector, it was observed.

### 2.1.3 Structure of the Alberta Economy

Oil and gas have been the main economic stimuli in the province in recent years. It is estimated that directly, or through induced effects, this sector accounted for more than 50 per cent of Alberta's real growth from 1971 to 1983. However, it was argued during the seminar that a focus on this industry can be misleading since the distribution of employment by major industrial groups is not that different in Alberta compared to Canada as a whole. The main exceptions are in manufacturing, employing about eight per cent of the labour force compared to more than 19 per cent for Canada as a whole; and in the relatively higher proportion of Albertans in the oil (mining) industry.

Nonetheless, only about seven per cent of the provincial labour force is employed in the mining/oil group - compared to nearly 37 per cent in community business and services; 18.6 per cent in trade; and eight to nine per cent in each of manufacturing, transportation/utilities and public administration.

Greater involvement in manufacturing would help stabilize the economy, it was asserted. In turn, greater stability and strength in other sectors would help moderate the impact of oil industry volatility.

Concern was noted about the long-term implications of the role being played by small firms in job creation. While it is estimated that up to 80 per cent of jobs in Canada are being created by smaller firms, this performance is tempered by a tendency to lower wages and fringe benefits in these jobs. Over time, this could contribute to erosion of the middle-income

group and, in turn, have a negative impact on housing markets, it was suggested.

## 2.2 Outlook for Housing

Even under the worst-case scenario for oil prices and migration, household growth should sustain the current level of demand for housing over the next few years - at least in the main markets of Calgary and Edmonton.

Under this scenario, households are projected to grow by about 1,800 annually in Calgary between 1985 and 1988, and by 2,300 in Edmonton, with a significantly higher level of growth in the 1988-1991 period (see Tables 5 and 6). Under the mid-case scenario, both cities could expect annual increases of about 3,200 households to 1988, again with greater growth in the period to 1991.

Seminar participants were told that housing starts for the province are expected to remain in the area of 8,000-plus for 1987 (starts were 8,337 in 1985 and 8,462 in 1986). All but 1,000 of these are expected to occur in the single-family, ownership market. Several participants commented that prospects are not positive for the rental sector, with the exception of market niches for some carefully targeted projects. In 1988, total starts may increase to 10,000 units.

During discussion, it was noted that inventory replacement is not a major factor in Alberta markets given that 80 per cent-plus of the housing stock has been built since the Second World War.

Note was made of several factors influencing markets which should prevent house prices from declining, and rental vacancy rates from increasing, to the extent experienced during the previous recession. Among these factors:

- household growth, as noted above

TABLE 5

Average Annual Household Growth by Tenure  
in Calgary, 1976-1991

	Average Annual Net Migration	Number of Households		
		Owners	Renters	Total
<u>Actual</u>				
1976-1981	18,929	6,013	5,111	11,124
1981-1985	-32	2,941	2,436	5,377
<u>Projected</u>				
Low Migration				
1985-1988	0	3,057	2,282	5,339
1988-1991	3,000	4,617	594	5,211
Mid Scenario				
1985-1988	-6,175	2,526	668	3,194
1988-1991	0	4,240	0	4,240
Worst Scenario				
1985-1988	-9,995	1,895	-83	1,812
1988-1991	-3,598	3,635	-707	2,928

**SOURCES:** - Statistics Canada, Census of Canada.  
 - City of Calgary.  
 - Clayton Research Associates.

TABLE 6

Average Annual Household Growth by Tenure  
in Edmonton, 1976-1991

	Average Annual Net Migration	Number of Households		
		Owners	Renters	Total
<u>Actual</u>				
1976-1981	12,800	5,677	4,765	10,442
1981-1985	-2,700	2,883	2,180	5,063
<u>Projected</u>				
Low Migration				
1985-1988	0	4,215	1,471	5,686
1988-1991	3,000	5,045	653	5,698
Mid Scenario				
1985-1988	-7,967	3,259	-57	3,202
1988-1991	0	4,652	81	4,733
Worst Scenario				
1985-1988	-10,943	2,902	-627	2,275
1988-1991	-3,940	4,159	-672	3,487

**SOURCES:** - Statistics Canada, Census of Canada.  
 - City of Edmonton.  
 - Clayton Research Associates.

- very little inventory compared to the overbuilt situation which confronted the industry in the early 1980s
- different expectations, with an underlying perspective that the economic situation will not remain poor for too long
- depressed housing prices and lower mortgage interest rates which improve affordability
- different consumer groups who are being affected by the current downturn and who are expected to react to their circumstances in ways less harmful to housing markets.

With regard to the last point, it was noted that those most affected by the recession in the early 1980s included blue-collar workers in starter homes or rental accommodation. They quickly migrated out of Alberta to their province of origin or other destinations with greater employment prospects, thus contributing to an excess of units on the market. This time, white-collar/professional workers are among those most affected by the downturn. They tend to have deeper roots in the community and, often, skills/knowledge that are not readily portable. As a result, it is anticipated they will not leave en masse.

Differences of view arose over the issue of affordability. On one hand, it was argued that the proportion of average family income devoted to principal, interest and tax payments for an average-priced house has fallen significantly - from 41 per cent in Calgary and 39-plus per cent in Edmonton in 1981, to 17 to 18 per cent at present (or a proportion similar to that experienced during the early 1970s). For those households still employed, this is a significant positive shift in housing costs/affordability. On the other hand, it was argued that unemployment and pressure on wage levels have resulted in a number of Albertans suffering loss of real income. Affordability is as much a problem, if not a greater one, for the unemployed and working poor as it was during the boom times. In counter-argument, it was noted that there is a wide social safety net for these persons. In terms of housing, it would appear from relatively high vacancy rates in community (public) housing that needs are being met. (Refer to Section 5.1 for discussion of community housing.)

### 3.0 PUBLIC AND PRIVATE SECTOR ACTORS

Government and industry actors are bringing different perspectives, structures and/or policies to bear on the current economic downturn relative to the earlier recession. At the federal level, Canada Mortgage and Housing Corporation (CMHC) recently completed a major review of its role and programs, leading to new orientations in both market and social housing. The Alberta government, responding to economic developments, has reduced its intervention in housing markets and restructured its program delivery, planning and administration. The housing industry has undergone fragmentation and downsizing. Because the industry is far more wary, and the provincial government has cut back dramatically in housing activity, both are better positioned than they were in 1981-82 when the recession was very painful and disruptive, seminar participants were told.

#### 3.1 Federal Policies/Programs

The recent changes resulting from the CMHC review were outlined. Motivation for the changes included need to:

- reduce the federal budget deficit
- ensure public funds are directed to those most in need
- improve federal-provincial relations
- improve the context for private sector involvement in housing
- stimulate review of the federal role in housing.

Key changes include the following:

- There is a new emphasis on efficiency in terms of: (a) reaching those in need of housing assistance; (b) being more productive in the delivery of federal programs; and (c) furthering a climate of stability to enable the private sector to operate efficiently.
- Federal intervention in the marketplace through ad hoc, stimulative programs has been disavowed. Such programs have been expensive, disruptive to markets, and have left a legacy of difficulties (e.g., excess supply; high operating costs). Moreover, despite major public investment in rental housing over the past decade, the viability of rental markets continues to be a problem. The government has asserted that it will not intervene with these kinds



of programs in future unless there is a specific need/purpose, and the industry has been consulted.

- In addition to the federal government's general initiatives in economic policy, CMHC has embarked on a program of mortgage-backed securities to broaden investment and encourage stability in housing finance. As well, the validity of its role in high ratio mortgage insurance has been confirmed.
- Regulatory review, designed to improve quality and reduce housing costs, is receiving priority. A national committee also is being formed to help stimulate and coordinate efforts in research and development.
- In terms of social housing, increased emphasis is being placed on directing assistance to households in most need. While previous program delivery strategies attained the desirable goal of income mixing, they resulted in a situation where only about one-third of social housing units actually went to households in core need, seminar participants were told. The new approach does not mean a return to the discredited public programs of the past or abandonment of the concept of income mixing. The latter will be maintained through small-scale, scattered projects and by providing provincial delivery agencies with the option of including units in assisted projects to which federal subsidies will not apply.
- Efficiency will be improved through closer intergovernmental planning, administration and delivery, now governed by global and operating agreements between the federal government and each province. The objectives are to reduce duplication, and increase and better focus the resources applied to housing. Provincial participation will not be at the expense of federal social housing objectives, it was stressed. In particular, targets in native housing and native involvement in delivery must be met, and non-profit groups must have at least as good, if not better access to programs as in the past.

Mixed views were expressed about the policy/program changes:

- From an industry perspective, reduced government intervention in housing generally is welcomed. Both markets and the industry have been affected negatively by a recent perception that governments, not private buyers and renters, were the primary consumers of housing, it was noted. While it is recognized that government will continue to have some role in provision of housing, it was stressed that the approach should be to subsidize individuals rather than physical units, and that capitalization of public programs should occur through the private sector wherever possible.
- The view was expressed that an emphasis on efficiency gains is misplaced if the real objective is to substantially reduce CMHC

expenditures and the federal deficit. CMHC instead should be "cut to the bone" and resources should be put into income support/redistribution rather than housing. In response, it was noted that there will be an increasing emphasis on measures which are non-capital intensive, as reflected in the rent supplement component of the new federal policies. However, a universal shelter allowance is considered too costly an option at this time.

- Another view challenged the rationale that increased targeting of social assistance was being undertaken primarily for efficiency reasons. One motivation is to stimulate some provinces to put more resources into housing, it was suggested. However, this was the wrong lever to apply to achieve this end. In the process, the objective of income mixing may be eroded because reliance on small-scale, scattered projects will not work as envisioned.
- A separate view was expressed that income mixing can be best achieved by using private sector stock to house persons in need. However, in the case of rental stock, concern was expressed that the rent supplement program will not necessarily lead to construction of new units. While vacancy rates now appear high in Alberta, seminar participants were warned that these may be deceiving, especially in the major urban centres, and that the situation could reverse quickly with improvement in the economy.
- During brief discussion of mortgage-backed securities, concern was expressed that the risk of volatile interest rates is being shifted from mortgage holders to bond holders. In response, it was emphasized that the securities are seen as a means to help stabilize housing finance by broadening the investment market and encouraging a larger flow of longer-term funds into the market.

### 3.1.1 Mortgage Insurance

CMHC was urged to continue its role in providing high ratio mortgage insurance. This is of particular importance in Alberta given the impact of the province's Law of Property Act (see Section 4.1), and given that this is an area which the private sector cannot service adequately due, in part, to government legislation, it was asserted.

High ratio insurance should be readily available to all Canadians although the risks taken should reflect in part in the premiums charged. As well, there should be some cross-subsidization between regions to offset their varied market conditions, and moderate premium rate cycles. Applied on a pro-

rated basis over time, this approach should support the viability of this type of insurance, it was argued.

CMHC should be allowed to compete in all markets with the proviso that advantages such as premium subsidies not be allowed or, alternatively, be offered to private mortgage insurers as well.

In response, it was noted that a recent review of the CMHC program revealed consensus on the validity of a public sector role in this field. Consensus also appeared on the issue of scope of operations - i.e., that CMHC should be able to operate in all markets but not at the exclusion of private options. Moreover, the public program must be able to pay for itself. If government determines a specific social objective is to be implemented through the program, then the costs must be identified and billed back to government.

### 3.2 Provincial Policies/Programs

Provincial housing activity has been reduced substantially in contrast to the boom period of 1976-1981 when the government had funds to pursue its policy goals; intervened in the marketplace to respond to economic and population pressures; operated programs that were independent of federal funding; and, during the peak of the boom, built or financed more than half of all starts in the province.

Seminar participants were told that the outlook is for continued minimal intervention; greater emphasis on programs that are non-capital intensive, and critical review of all existing programs, including those without sunset clauses. In addition, recently announced provincial budget restraints point to the probability of program cuts.

During the boom, the Alberta government engaged in some of the highest levels of public sector housing activity in Canada. This included stimuli for both ownership and rental accommodation, the latter designed to avoid application of rent controls as a permanent feature of the marketplace. Between 1976 and 1984, some 22,000 rental units were constructed under a Core

Housing Incentive Program (CHIP) while about 5,500 others were financed under a Modest Apartment Program (MAP) between 1976 and 1986. Both provided financial assistance on relatively favourable terms in order to increase the supply of moderately priced accommodation. In the area of social housing, some 26,000 units were built while rent supplements were committed to some 58,000 shelter allowance units in the private sector. In terms of ownership, more than 21,000 loans had been extended by 1985 under the Alberta Family Home Purchase Program, 8,000-plus of which were receiving monthly subsidies.

Since 1982, the province's role has been more modest. Where it at one time was building up to 4,000 social housing units/year and financing nearly half of all starts, by 1986 only 300 to 400 social housing units would be added and financing provided to another 500 to 600 units. No development funds have been available under CHIP, and only limited funds have been available under MAP, as a result of high rental vacancies. A number of CHIP and MAP projects are in severe financial difficulty, despite relatively high occupancies, because they were built at the peak of mortgage and construction costs. Proposals to provide some financial relief to these projects were under review at the time of the seminar. In other cases, provincial programs are in the process of elimination or curtailment. New proposals are examined closely - e.g., the government looked at but eventually rejected the idea of beginning a mortgage insurance program. In general, the provincial agencies responsible for housing in Alberta have become managers of portfolios rather than builders.

### 3.3 **Municipal Policies/Programs**

Review of the municipal role in housing focussed mainly on the activities of the City of Calgary over the past two decades. In general, it was noted that municipalities have few resources to engage in the housing sector relative to federal and provincial governments. Nonetheless, they can try to influence activity through, for example, their powers of land use control and development approval.

In terms of market housing, Calgary sought to accommodate the boom in the 1970s through annexation, construction of trunk services and lowering of subdivision standards. Because the city did not make a strong effort to direct and concentrate development, a number of trunk services are underused and await additional construction in order to function at capacity, seminar participants were told.

In terms of social housing, both Calgary and Edmonton were involved in public housing until 1972 when the provincial government assumed full jurisdiction in the area. Edmonton agreed to accept provincial assistance for land banking. It was able to use this program, plus for a period a set-aside requirement in development agreements for land for social housing, to remain involved in assisted projects. Calgary, in contrast, did not enter the land banking program. It opted instead to try to purchase land for social housing, but it found the private sector reluctant to sell for this purpose. Some land was yielded after the city began to consider applying development agreements, proposal calls and other tools. The city provided some subsidies to ensure the land would meet provincial requirements. But, in general, neither it nor the Alberta Housing Corporation were able to acquire sufficient properties to meet needs. Social housing unit allocations went underused as a result.

Calgary did establish a non-profit housing corporation to gain access to assistance under the federal 56.1 social housing program. This corporation has constructed and purchased new units, done some renovation, and provided land and technical assistance to private non-profit organizations and cooperatives. At the peak of the boom, some 90 per cent of its tenants were paying below-market rents. That proportion is now 40 to 50 per cent.

Several concerns were expressed about the impact of senior government programs on municipalities:

- From a municipal perspective, community (public) housing is considered a political liability since projects are seen as a constant source of tenant and neighbourhood complaints. The provincial government's recent decision to use social housing unit allocations to convert some of the portfolio gained through mortgage foreclosures served to further concentrate public units in certain communities, the seminar was told. Moreover, current high

vacancies in public housing are of concern since municipalities are required to contribute 10 per cent of the operating deficits of these projects.

- The federal government's withdrawal of the Neighbourhood Improvement Program (NIP) was regretted as NIP helped communities which had lost the power to acquire capital and operational funding. A number of such communities in Calgary have been able to sustain the NIP legacy and, through an active political presence, compete for funding on an equal footing with other communities in the city.
- Concern was raised over the potential loss of several thousand lower-income apartment units as a result of the expiry of rent controls under the federal Limited Dividend Program.

Also during the seminar, it was suggested that the private sector can no longer finance the extension of municipal services to new areas. Unless measures are taken to address this problem, future land development may be jeopardized.

### 3.4 **The Housing Industry**

Substantial dislocation occurred in the Alberta industry with the recession of the early 1980s. Subsequent restructuring has improved flexibility, adaptability and responsiveness to economic changes. However, the price has been industry fragmentation which, over the longer term, poses challenges for information/technology transfer, and development of an export orientation to offset reduced domestic demand stemming from demographic changes.

Several participants commented on the boom psychology which directed industry decision-making during the turn of the decade, despite warnings of caution from parent lending institutions and others viewing the situation from outside Alberta. Expectations persisted that oil prices would continue to increase, and planning/development proceeded on that basis. Instead, the petroleum sector has suffered two major reverses in the 1980s, and the housing sector learned that it was a reactive industry to the main engines of growth - oil, gas and, in smaller centres, agriculture. The lessons were painful. With disintegration of the industry after 1981, membership in the Alberta Home

Builders' Association dropped from about 1500 to 600 firms, subsequently recovering to about 750. Gone are some of the larger developers who operated in several centres within and outside the province. 'Half-tonners' and small, family-type operations are now more prevalent, working in limited geographic and functional areas. (Refer to Section 7.0 for discussion of the implications for education/upgrading and information/technology transfer.)

The experience altered industry perspectives on the appropriate roles of the private and public sectors in housing. It was acknowledged that the industry was among those who clamoured in the early 1980s for government intervention to offset high interest rates. In retrospect, this kind of intervention was a mistake because it contributed to continued overbuilding. Industry representatives now advocate that:

- government subsidies be based on need and be made directly to individuals, not to housing units
- government only act as a lender in cases where the private sector is unable or unwilling to satisfactorily meet a need
- government programs be financed by the private sector wherever possible.

Note was made of a cooperative relationship which has developed between government and the industry in Alberta. Joint committees have been meeting regularly to exchange views on policy/program matters. These kinds of consultations should continue in order to review existing programs and determine areas where a greater private sector role might be developed, seminar participants were told.

Note also was made of the role governments can play in encouraging innovation and facilitating housing research since the industry lacks an appropriate infrastructure for this kind of activity.

#### **4.0 MARKET HOUSING**

Within the context of generally depressed activity, the short-term market outlook is brightest for single-family, ownership accommodation. Primary

opportunities involve consumers with equity - i.e., empty-nester and move-up households, including 'Yuppies' looking for amenities that are difficult to obtain through home renovation. However, caution was voiced that the move-up market appears to be thin. Concern also was expressed about a stagnant market for starter and other modest-income housing. Without significant economic recovery, in-migration of persons under age 30 will not be sufficient to offset natural declines in these age cohorts and out-migration of young Albertans to opportunities elsewhere. The result could be a serious bottleneck in housing markets wherein the bottom end will not be allowed to liquidate and move up.

More generally, it was suggested that Alberta is experiencing a restructuring of consumer demand which will entail far more than recovery to some known market state. Among the factors involved in this restructuring:

- Inflation is no longer stimulating housing investment; rather, consumption is driven by lifestyle and product quality considerations.
- Affordability is now more closely related to propensity to consume. Home buyers are no longer as willing as in the 1970s to take risks and lever financing.
- Market segments have changed significantly.
- The post-war, baby boom generation is focussing on priorities other than housing.

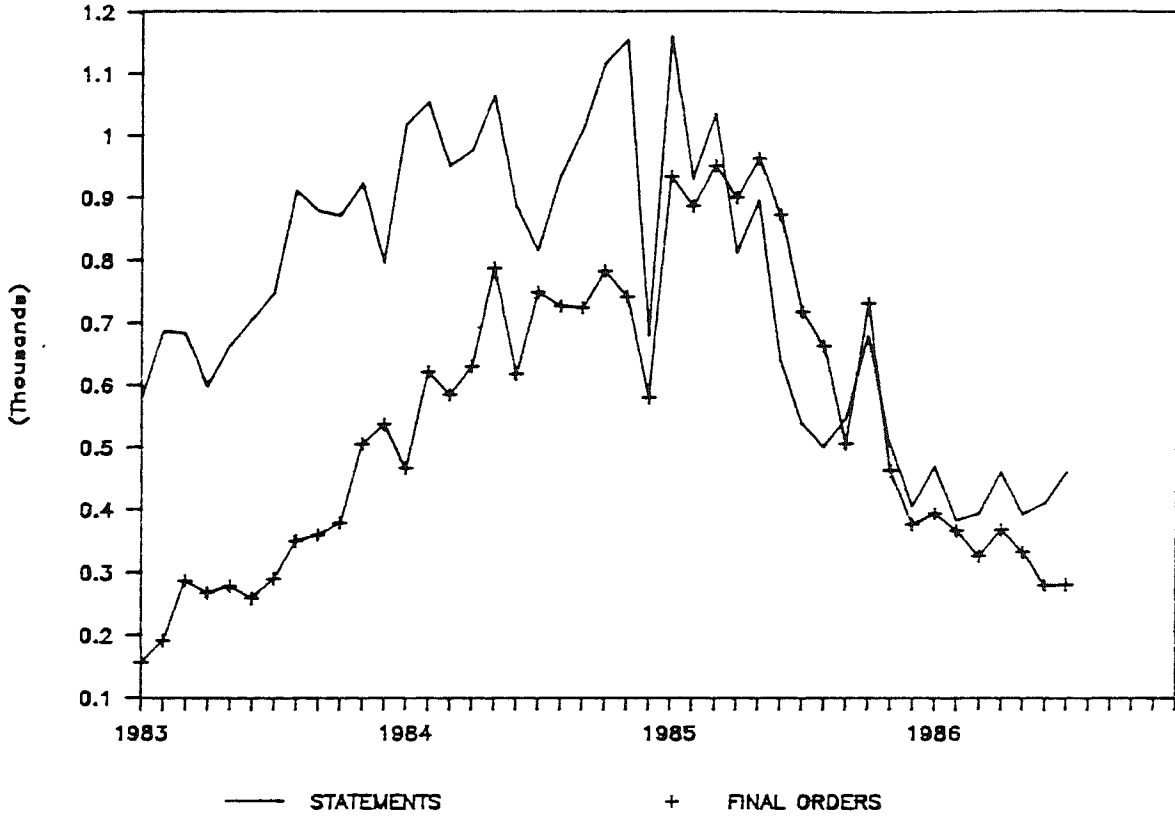
#### 4.1 Financing/Personal Covenants

The recent boom-bust in housing markets resulted in significant losses of equity for many homeowners. Examples were cited of houses which sold for approximately \$100,000 during the boom now being marketed at less than two-thirds of that price. For long-standing owners, the lost equity primarily represented what had been an inflationary gain. For those who purchased during the boom, falling values were coupled with large mortgages financed at double-digit rates of interest. Mortgage defaults and foreclosures mushroomed between 1982 and 1985 (see Chart 1).



CHART 1

Mortgage Foreclosures in Alberta



	<u>Statements of Claim</u>	<u>Final Orders</u>
1983	9,052	3,869
1984	11,669	8,023
1985	8,652	8,972
1986 (Jan-Oct)	4,422	3,243

SOURCE: Alberta Municipal Affairs

The situation was exacerbated by Alberta's Law of Property Act, seminar participants were told. This legislation prohibits recourse to the personal covenant of a residential mortgage holder. When individuals default on their obligations, no legal action can be initiated against them for deficiencies after judicial sale. CMHC and Alberta Mortgage and Housing Corporation (AMHC) are exempt from these provisions which have remained essentially intact since the 1930s when they were designed to protect farmers and other individuals from dispossession. The contemporary results have been:

- encouragement to dollar-dealer transactions and the abandonment of obligations by homeowners who could afford to make payments
- additional units thrown onto housing markets, further depressing values and resulting in an additional loss in equity for Albertans who remained in their homes and continued to pay off their mortgages. The Mortgage Insurance Company of Canada has estimated this additional loss to be \$5 billion at minimum.
- more stringent financing conditions and higher financing costs- i.e., made-in-Alberta loan policies.

Precise data were not available on the number of owners who walked away from their units despite an ability to continue paying their mortgages. One estimate was that half of those who walked away in the past 1 1/2 years could have afforded to continue paying. During 1984, when foreclosures were still increasing in number, court officials estimated these types of cases comprised 20 to 30 per cent of the total.

Whatever the actual numbers, it was emphasized during the seminar that the drop in real estate values in Alberta has been significantly greater than that experienced elsewhere in Canada in the face of severe economic decline. Moreover, it is perceived that relatively more owners in Alberta made a conscious decision to walk away from their obligations. Mortgage insurance premiums do not cover this kind of situation, and losses have been much greater than can be accommodated under the present insurance structure, it was argued.

Lending and insurance criteria have become more restrictive as a result, as reflected by:

- lower loan to value ratios
- lower loans on an uninsured basis than in other parts of the country (i.e., borrowers may have to pay an insurance premium to obtain loans above 65 or 70 per cent of value instead of 75 per cent)
- more stringent qualification criteria
- some limitations on types of loans, locations, use of private mortgage insurance and refinancing to get equity out of a property.

Changes in the legislation were advocated to ensure, on one hand, that only legitimate cases would be pursued before the courts and, on the other hand, to provide security to lenders. One objective should be to provide a means by which borrowers would be required to discuss their situation with lenders. The intent is not to pursue owners who are legitimate hardship cases, but to deal with those who are able to pay or in other ways are abusing the legislation, it was asserted. Three recommendations were put forward:

- The act should be revised to remove the prohibition on recourse to the personal covenant.
- The act could prescribe those circumstances in which it would be permissible for a financial institution to initiate legal proceedings against a borrower's covenant.
- Alternatively, the act could include a procedure whereby a financial institution would have to apply to the courts for permission to sue.

It was noted that, at the time of the seminar, the legislation was under review.

During discussion, it was pointed out that credit reporting was tightened as a result of the experience. Previously, reporting lagged behind events and some owners who abandoned their properties were able to subsequently obtain other units and financing. An increasing number of individuals who walked away from their houses are now finding that their credit ratings are affected. Moreover, were the monetary situation to tighten, these consumers could feel the impact even more. At present, however, lenders appear to still have lots of capital to invest and have not restricted credit, it was observed.

## 4.2 Rental Markets

Neither demographic nor economic factors bode well for major new investment in multiple-family, rental housing. There are some market opportunities - mostly in luxury accommodation for older households and move-up renters, and for the 1988 Olympic Games in Calgary. However, there has been little activity in multiple-family construction since 1983 relative to the beginning of the decade when starts in this area comprised nearly half of the province's total. No significant change is anticipated in the short term - 1,000 units may be built in each of the next two years, or one-eighth to one-tenth of all starts. In the longer term, investors, owners and developers may have to adjust to a slow-growth economy, low numbers of starts and increasing expenses on an aging stock, seminar participants were told.

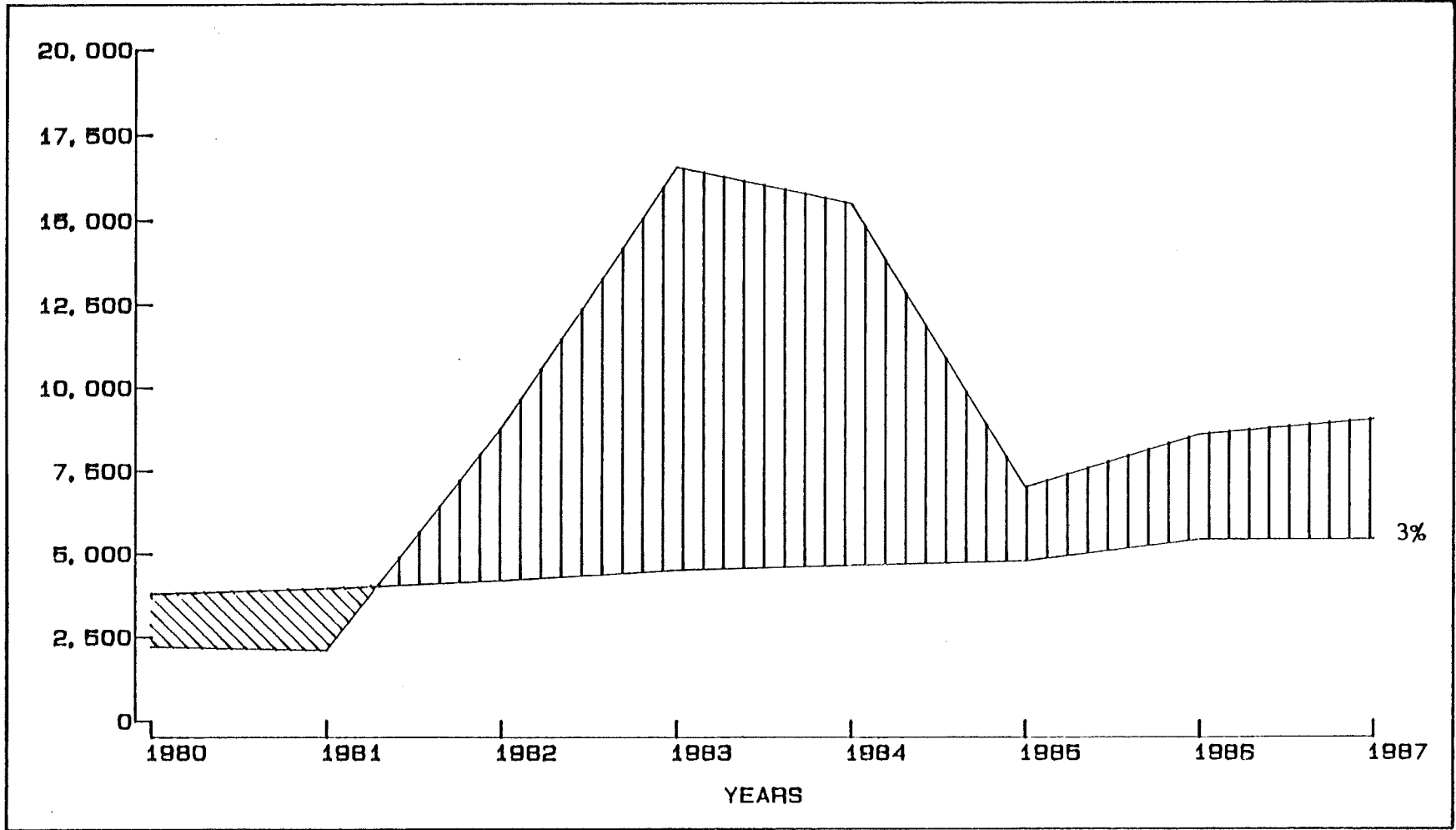
Rental markets have reflected economic events in Alberta. In the relatively stable 1960s, vacancy rates generally were moderate and starts slow. In the booming 1970s, construction increased and vacancy rates fell - e.g., to under one per cent in Edmonton from 1976-78. Provincial programs (CHIP and MAP) were established to stimulate additional supply. Expectations of continued economic/population growth, and changes in the federal Multiple Unit Residential Building program, contributed to excess supply when the recession of the early 1980s hit (see Chart 2). Vacancy rates soared well over 10 per cent in Calgary and Edmonton and, in addition to rental incentives, there was a decline in rents (by as much as 18 per cent in the latter city).

By late 1986, there were an estimated 3,200 excess rental units in Alberta. This number is expected to increase marginally in 1987, then decline in 1988 and beyond. Vacancy rates are projected to remain in the four to six per cent range in Calgary and Edmonton. Rates also will be relatively high in smaller, especially northern resource-based communities. The projections assume:

- no substantial economic growth in the short to medium term
- only gradual improvement in migration to positive levels

CHART 2

Alberta Vacant Multiple Units vs. Optimum 3% Vacancy, 1980-1987



SOURCE: Canada Mortgage and Housing Corporation.

NOTE: 1986 AND 1987 figures are forecast by CMHC.

- continued low interest rates and stable house prices which are drawing consumers from rental to ownership accommodation
- continued high unemployment which, when combined with lower levels of income, encourages doubling-up of households (and pressure on larger units)
- declining demographic pressure from the 15 to 24-year age cohort.

Several qualifications were added. Firstly, the propensity of households to undouble is elastic. Underestimation of this factor in the past has led to overly pessimistic projections about vacancy rates. Secondly, the level of activity in secondary markets (e.g., basement suites in private homes; repossessed condominium units) can influence the main markets. However, monitoring of secondary markets tends to be indirect and incomplete. Thirdly, significant variation can occur in rental markets between and within population centres. For example:

- In certain popular areas of Edmonton's inner city, rental accommodation is relatively tight even in older units, and there is some upward pressure on rents. In contrast, vacancy rates in suburban areas are seven to eight per cent.
- In tough times in the oil industry, Calgary's rental markets have tended to feel the pinch earlier and to a greater extent than Edmonton's.
- At present, higher vacancy rates are appearing in resource-based communities, mostly in northern Alberta; however, agriculture-based and diversified smaller communities are experiencing relatively lower rates (though, on average, rates which are higher than those in the two major urban centres).

Under current conditions, tenants face an essentially finite rental stock. A market upturn would put downward pressure on vacancy rates and could encourage withdrawal of ownership units currently available to renters. With regard to land for new construction, it was noted that in Edmonton the city has been responding to requests to rezone multiple-family properties to single-family districts. This, in turn, will result in a different mix of housing and household types, and different patterns of infrastructure use and aging, than originally planned.

Differences of view arose over the potential impact of expiry of the

Limited Dividend Program. Concern was voiced that several thousand units formerly under federal rent controls as part of the program are now being offered at market rents, resulting in a loss of units formerly accessible to lower-income households. In response, it was noted that this was an entrepreneurial program designed to subsidize the construction of new stock where there were shortages. It was intended that the projects would go to market rents at the end of the 15-year control period. Reference also was made to vacancy rates in community housing as an indicator that the change in status of Limited Dividend units is not having a negative impact. In counter-argument, it was stated that community housing vacancies are the result of different issues; moreover, community housing is not necessarily an option for the households in question.

## 5.0 SOCIAL/ELDERLY PERSONS' HOUSING

### 5.1 Social Housing

Two interrelated issues were raised for discussion:

- how to make optimal use under substantially altered circumstances of the physical stock inherited from the boom period
- whether the stock could be used to reduce perceived inequities between assistance available to recipients of income transfer payments and the working poor.

Seminar participants were told that current vacancy rates in community housing average 10 to 15 per cent. Moreover, annual operating deficits in more recent projects, built and financed during a high cost period, can range from \$10,000 to \$15,000/unit. In this context, careful consideration should be given to operating community housing in ways that produce more revenue or cost less. Two suggestions were made:

- Tenants should be charged a premium for higher quality units in the portfolio. Unit types and quality vary widely and tenants have ready access to units of their choice. In Calgary, this has meant that some less desirable projects have vacancy rates of up to 50 per cent. If tenants were charged a premium, they would be forced to make the kinds of choices they would confront in the private marketplace.

- At present, community housing tenants have a rent-to-income ratio of about 22 per cent. Those who are on social assistance (about 30 per cent of the tenant universe) have access to a relatively generous shelter allowance. There is no particular economic advantage to these households to be in community housing. If they were placed in private rental accommodation, this could free up units for the working poor who would receive greater economic benefit from the housing subsidy. In response, it was noted that the federal government shares 75 per cent of social housing costs but only 50 per cent of costs under the Canada Assistance Plan. Thus, it is of benefit to the province to have social assistance tenants in community housing where they do not need the full allowance allocated for shelter.

Differences of view emerged over whether consumer avoidance is partly responsible for vacancy rates in community housing. On one hand, it was argued that this is the case - that options are available in the private market and consumers are willing to pay a premium for these to avoid the problems and controversy associated with public housing. On the other hand, it was argued that properly planned units do not cause social problems, nor is there evidence that consumers are avoiding Alberta's units due to lack of income mixing. However, it was acknowledged that a number of Albertans wish to avoid the stigma of government assistance or involvement with government housing. As well, due to the timing and growth of cities relative to the timing of projects, many units are in suburban locations. Their vacancy rates tend to be higher than more centrally located units.

Concerns were raised about the disposition of repossessed market units held by AMHC, some of which have been converted recently to social housing. The appropriateness of using social housing allocations for this purpose was questioned. In addition, it was noted that in Calgary many of these units are concentrated in areas where there already is a significant amount of social housing built in accordance with the city's plans which were designed to carefully regulate the distribution of such projects. From a municipal perspective, it was argued, these units more appropriately should be resold to private owners on an orderly basis.



## 5.2 Elderly Persons' and Special Needs Housing

Discussion focussed on the concept and implementation of a shelter-care continuum in service and housing options for senior citizens and special needs groups. The options will grow in number and variety with the progressive aging of the population and de-institutionalization. In particular, seminar participants were reminded that the aging process does not lead inevitably to nursing home care but, rather, that most senior citizens are the 'well elderly' who can live in self-contained shelter provided there are appropriate support services to assist in areas where they can no longer be fully independent. Even with Alberta's relatively high bed ratios, only about seven per cent of the elderly population resides in health care facilities, it was noted.

### 5.2.1 Market Housing

A market niche was identified for initiatives in private, multiple-family luxury accommodation for senior citizens in the major urban centres. Both demographic and socioeconomic factors favour this kind of development, including a market segment which has the means and the preference for purchasing non-subsidized shelter. One U.S.-based developer has indicated an interest in a hotel-type facility with central dining and recreational facilities for Calgary. References also were made to examples of self-pay options operating in Edmonton. One problem that may arise in such facilities is the dilemma of what to do about residents who become less capable of living under a limited care situation. If not addressed, this problem may lead to 'drift' in a facility because other residents will move out to more suitable alternatives, it was noted.

### 5.2.2 Granny Flats

The number and location of government-assisted, self-contained seniors' apartments in Alberta appear to preclude 'granny flats' as a significant future shelter option. However, the Canadian Manufactured Housing Institute

has begun a demonstration project designed to place some granny flats in each province. Units are scheduled to go on public display in the spring of 1987.

### 5.2.3 Assisted Housing/Levels of Care

Five options now available to senior citizens were described:

- Self-Contained Senior Citizens' Apartments - AMHC has financed some 13,800 such units in 436 projects, 127 of which are in the province's seven major centres. Capital investment has totalled \$603 million. The bachelor and one-bedroom units, in projects ranging from four-plexes to high-rise blocks, are for low and moderate-income persons who are physically and mentally self-sufficient. Daily administration is provided by a local, non-profit sponsor. AMHC provides full capital financing for the projects. CMHC, under a global agreement with Alberta, is providing 70 per cent of net operating costs (including capital cost amortization up to the approved maximum unit price) on units developed after 1985.
- One-Third Grant Program - Between 1970 and 1983, AMHC provided grants for one-third of the capital costs of rental housing for low to middle-income seniors built by non-profit organizations. These organizations were responsible for obtaining the outstanding financing through CMHC. Nineteen projects resulted.
- Senior Citizens' Lodge Program - Nearly 8,000 lodge beds have been provided since the program began in 1959 to offer a first level of care for those who were essentially well but did not wish to maintain a home. AMHC has invested some \$123 million in the 135 projects built to date, 85 of which are in smaller communities. Rents include a single or double bed-sitting room, meals, housekeeping and linen-laundry services. Maximum rents are established annually by the province. Foundations composed of contracting municipalities in the area operate and maintain the lodges. Operating deficits are cost-shared by the foundations and AMHC. The latter agency provides full capital financing. Under the global agreement with CMHC, the federal government may share the capital cost through an interest rate write-down.
- Nursing Homes - These operate under a mix of private, public and non-profit ownership, with some 45 per cent of the 7,800 to 7,900 beds owned by the private sector.
- Auxiliary Hospitals - These contain about 3,800 beds and provide the greatest level of chronic care. Direct personal attention averages 3.5 hours per resident per day, with additional staff hours to dietary, housekeeping, maintenance and other administrative/operational functions. Cost per resident is \$100 to \$150/day compared to \$400 to \$500/day in acute care hospitals.

Concern was voiced that seniors' housing had been overbuilt, especially the self-contained apartments. Some projects in Calgary, for example, were said to be experiencing 30 per cent vacancy rates, although the reasons were not due entirely to oversupply. Much of the discussion concerned the political pressures which are brought to bear to provide facilities for senior citizens in their source communities. During an intense lobby effort, it often is difficult to get a valid assessment of need or whether a facility, if built, will have vacancies or a waiting list. The essential public policy questions concern how to deliver services to smaller communities, and determination of how local is 'local.' With regard to the self-contained program, one option is to build portable units that may be moved to communities in need. Senior citizens themselves have recognized the problem and, in some cases, proposed a deposit system to demonstrate commitment to residency in a new project.

More generally, it was suggested that there is a tendency to over-service when pursuing the concept of a shelter-care continuum. This may be one reason why provinces in western Canada have higher bed ratios than in northern and western U.S. states. The home care system also is more extensive than in the U.S. The differences can be related to more of a 'patchwork quilt' approach to health care in the U.S., based on American political and philosophical imperatives - especially with regard to the role of the private sector.

A view also was expressed that senior citizens no longer comprise the most disadvantaged group, and that additional assistance programs may be difficult to justify unless they are directed to persons ineligible for normal pension benefits.

#### 5.2.4 Special Needs Housing

De-institutionalization, and recognition of the need to foster independent living among special needs groups, have contributed to growing demand for shelter for these clients. Housing specialists are being drawn into more interdependent relationships with both clients and care services in order to assess needs and design the most appropriate shelter/service

response. In turn, this is placing new demands on managers to be involved in networking, cooperation and accommodation of multiple interests.

Seminar participants were told that responsibility for the Special Purpose Housing Program recently was transferred from CMHC to AMHC. Under the program, AMHC hopes to finance about 125 units/year through a mortgage interest rate subsidy to non-profit organizations providing housing/services to severely handicapped persons, battered women, the indigent, hard-to-house and young offenders. A committee is to be established to assess which groups require housing and what supplementary supports will be available.

The potential benefits of community-based living and service delivery were illustrated by an example of de-institutionalization from Raymond, Alberta where there is a long-term psychiatric care facility. Approximately one dozen clients have been moved to cooperative living situations in the community, supported by the hospital's day program and by staff services which the clients purchase out of their collective income from pensions and other sources. Positive changes in behaviour have occurred among the clients, seminar participants were told. The general community has been receptive, and significant financial savings are being achieved in the cost of services compared to having the clients in a public institution 24 hours/day. The view was expressed that, even if the project had failed, it would have given clients the dignity of trying a more independent alternative.

However, it also was noted that de-institutionalization can be a negative experience if needed services are not available in the community, and/or the originating institution gives little attention to the transition process. Note also was made of community opposition which special needs housing, especially group homes, has engendered in other provinces/municipalities.

## **6.0 RENOVATION ACTIVITY**

Recent research for the Alberta Home Builders' Association has indicated that expenditures on renovation and repair work in the province averaged \$850 million in value in 1984 and 1985, compared to about \$750 million in new

construction. The relative value of the latter can be expected to exceed that of the former as the Alberta economy recovers from the downturn. Nonetheless, renovation and repair will remain an important component of industry activity - one that is projected to experience steady real growth, seminar participants were told.

Nearly 70 per cent of homeowners in the cities surveyed as part of the research did some renovation/repair annually at an average cost of \$2,800. However, only about 40 per cent spent more than \$1,000/year; only three per cent spent more than \$10,000/year. About half of the work was done by contractors; the remainder, on a 'do-it-yourself' basis.

Renovation enterprises typically are one or two-person operations, some of which function in both the formal and informal (underground) economies. Note also was made of homeowners who undertake extensive work without obtaining building permits. Some discussion ensued regarding the effects of this kind of activity on the marketplace, and on the ability to comprehensively measure the extent of renovation/repair.

During the seminar, the economics of residential renovation and training of renovators also were discussed (see Section 7.2).

#### **6.1 Residential Rehabilitation Assistance Program (RRAP)**

Mixed views were expressed about recent changes to this federal program to assist homeowners and landlords with code-related repairs and upgrading.

- Some support was expressed for the decision to remove the requirement to target assistance to designated geographical areas and, thus, to extend eligibility to communities and individual owners previously excluded from the program on this basis.
- However, the decision to more closely target eligibility based on core need income definitions effectively cuts a significant proportion of low-income households from the program. In Calgary and Edmonton, for example, an estimated 50 per cent of the pool of previous RRAP applicants would now be ineligible under the new income criteria. If program take-up is diminished as a result, municipalities may not be able to deliver their allocations and they may have to reassess the need to have specific delivery staff

for the program. However, it was noted that in Edmonton activity levels have not declined and staff members are working on two-month call-back periods. In addition, CMHC has indicated it will review the income guidelines if program take-up is lacking.

- Concerns were noted over: (a) CMHC's closer scrutiny of applications and items qualifying for repair; and (b) criteria covering acceptance of bids. The former factor is perceived to be increasing costs and adding delays to municipal administration of RRAP. Removal of items from package bids also has discouraged some contractors from involvement with the program. In terms of the latter, CMHC's low tender system has contributed to problems in homeowner-municipal relations, and may not be the most reasonable option for small contracts, it was suggested. In response, it was emphasized that CMHC will continue with the tender system and to be specific about qualifying repairs.
- Take-up of landlord RRAP generally has been poor in Calgary. Despite favourable terms for forgivable loan assistance, no landlord has applied under the revised program. The 15-year rent control requirement was identified as the main impediment.

In general, changes to RRAP are not considered to be as major an issue in Alberta compared to other provinces with older cities and housing stock. Municipalities eligible for the program have received significant benefits in terms of upgraded housing and safety since RRAP was introduced in mid 1970s, it was emphasized.

## 7.0 RESEARCH AND EDUCATION

### 7.1 Research and Development (R&D)

Note was made of several contextual factors influencing the objectives, content and coordination of housing R&D nationally and in Alberta.

- With domestic demand expected to decline significantly, attention is focussing on ways in which the Canadian building materials industry can be maintained, especially through further development of an export orientation. Note was made of efforts to export wood-frame construction techniques to Japan and other markets. Potential also exists for development of Third World markets.
- Ontario's active pursuit of the building centre concept, derived from Scandinavian models, was cited as one response to the prospect of declining domestic demand. Interest in this concept also has emerged in Alberta. However, the view was expressed that firms are

struggling to survive at present and are unlikely to engage in the level of coordination and financial commitment demanded by the concept. At the same time, it was argued that more than one such centre should be established in Canada to avoid concentration of building science and materials manufacturing in the East.

- Fragmentation and downsizing of Alberta's housing industry, including a diminished role for larger developers operating within and outside the province, has posed new challenges for technical innovation and information/technology transfer. Small firms operating in discrete geographic markets, and fragmented by function, lack the capacity to directly undertake R&D or to assume the risks of testing innovations. They also lack exposure to different ideas and technologies that national or international experience can bring. This situation is not unique to Alberta but, for those wishing to advance R&D activity, it has added urgency to the issue of how best to communicate with a fragmented industry in order to assess needs and effectively further the industry's development.
- Institutional efforts to exchange information, and stimulate and coordinate R&D, were outlined. At the national level, acknowledgement was made of the role of the technical research committee of the Canadian Home Builders' Association (CHBA) which brings together industry representatives and researchers. While newer coordinating initiatives were welcomed, the hope was expressed that they will not overtake the CHBA forum. These initiatives include the National Research Council's Institute for Research in Construction and associated Canadian Construction Research Board and regional advisory groups; and CMHC's National Housing Research Committee, designed to facilitate information-sharing and, possibly, cooperative ventures. It is too early to assess whether these latter developments will improve or add to the complexity of coordination, cooperation and information exchange, it was noted.
- Approaches taken by Alberta Municipal Affairs to support and communicate the results of housing R&D also were reviewed. Emphasis is placed on targeting of information dissemination; the quality of documentation, and use of multiple means of communication to reach relevant audiences, it was noted.
- Concern was voiced that retail consumers tend to hold negative perceptions about the quality of contemporary design, materials and housing construction. Efforts should be made to change consumer perceptions about quality and to create greater market acceptance of, and demand for, new products and approaches.
- It was acknowledged that concerns about quality have basis in experience. In particular, complaints under home warranty programs too often involve basic techniques which should have been mastered by this stage in the industry's development. In turn, this has

implications for both the type of educational upgrading needed in the industry, and the potential to transfer new technology from R&D status to the field.

#### 7.1.1 R&D in Alberta

Technical R&D, and policy/program research, are undertaken by branches of Alberta Municipal Affairs. Discussion focussed on two technical programs now in place - directed R&D by the department's own research and development group, with a budget of about \$150,000 for 1986-87; and the Innovative Housing Grants Program (IHGP), budgeted to provide about \$650,000 for external projects. Program priorities, and examples of recent and proposed projects, are outlined in Appendix D.

The programs are based on three premises:

- R&D in itself is valuable since it leads to generation and application of new knowledge and improved techniques.
- The private sector under-invests in housing R&D for reasons related to the structure and economics of the industry.
- There is a role for the public sector to offset these impediments and help the industry achieve the benefits of R&D.

Under IHGP, in place since 1982, grants of up to \$25,000 (and, in a limited number of cases, up to \$50,000) have been available for approved projects with the potential to reduce housing costs; improve the quality and performance of dwelling units and subdivisions; and/or contribute to the longer-term viability and competitiveness of Alberta's housing industry. Program priorities are adjusted in response to changing conditions. Assistance is provided to that stage of the R&D process where it best can be used. Projects are governed by contractual arrangements between the proponents and the department.

In comparison with the federal Housing Technology Incentives Program, which has experienced a decline in industry interest and in the quality and value of outputs, IHGP has been received positively. This was attributed to:

- timely turn-around on application reviews, approvals and contracts



- some flexibility in terms of funding requirements exceeding \$25,000
- ability to devote staff resources to facilitating and monitoring projects, and producing the resulting documentation. This factor is particularly important since research may not be the primary function or area of expertise of project proponents.

## 7.2 Education/Training

Discussion centred on two topics: a customized training program in residential renovation offered by the Northern Alberta Institute of Technology (NAIT) in Edmonton; and concern that funding may be curtailed for CMHC-industry workshops to upgrade the skills/knowledge of persons involved in housing development.

With regard to the latter, CMHC was urged to continue, if not expand, support for the workshops, especially in a context where significant restructuring has occurred in the industry. The workshops' usefulness in conveying fundamental techniques was acknowledged although note was made of the expectation that these techniques should have been addressed by this point in the industry's development.

### 7.2.1 Training Renovators

The NAIT course grew out of perceived weaknesses in existing programs for apprentices and those involved in RRAP work. These included:

- too great an emphasis on pure trades training and new construction in apprenticeship programs
- technical weaknesses, and lack of course materials relevant to western experience, in the RRAP training program
- lack of management training even though research has shown that a number of apprenticeship graduates find themselves in supervisory positions.

The response was the renovators' course, now 24 weeks in duration and featuring the following components:

- There is an equal combination of in-class academic training and practical, on-site experience renovating houses ("real lemons")

purchased and intended for resale by NAIT. Students currently are working on the fourth house obtained under the program. The previous three were completed and sold via public tender. The intent is to break-even on the project and to sell the units at market value where possible.

- Emphasis is placed on interdisciplinary technical training and coordination between various trades. Students are unemployed trades people whose schooling is subsidized by the federal government and who are selected, in part, for the contribution their experience/trade will make to the mix of a class of 16. Use of several NAIT departments to help deliver the course also contributes to the interdisciplinary aspect. Students are expected to undertake project planning, budgeting, acquisition of materials, and other tasks in addition to doing the actual renovation work.
- Emphasis also is placed on management/foremanship training.

The students have incorporated some innovative techniques into projects and, it was suggested, the course has potential to work more closely with government and industry to undertake field testing of the results of R&D activities. The course also has demonstrated the need to concentrate further R&D effort in the area of renovation.

During discussion of the economics of the projects, and of renovation in general, it was acknowledged that the availability of subsidized labour provides a significant advantage to the course compared to the situation that an individual homeowner would face in calculating the costs/benefits of the same work. The training aspect helps to justify the extent of renovation undertaken and the resulting costs, it was noted.

## APPENDIX A

## Seminar Agenda

November 20, 1986	A.M.	9:00 - 9:10	Introductory Remarks
		9:10 - 10:30	Market Trends
		10:45 - 12:30	Government and Housing, Part I
	P.M.	2:00 - 3:30	Government and Housing, Part II
		3:45 - 5:00	Specific Housing Issues, Part I (The Rental Housing Market; Personal Covenant Enforceability in Alberta)
November 21, 1986	A.M.	9:00 - 11:30	Specific Housing Issues, Part II (Housing and an Aging Population; Technical Research in Housing; The Renovation Industry in Alberta)
		11:30 - 12:00	Concluding Remarks

## APPENDIX B

## Seminar Participants

<u>Name</u>	<u>Affiliation</u>
Dr. Don Orn	Executive Director, Property Management and Program Support, Land and Housing Division, Alberta Mortgage and Housing Corporation
Rory Campbell	Director, Housing Planning Secretariat, Alberta Municipal Affairs
Dave Edey	Housing Planning Secretariat, Alberta Municipal Affairs
Brian Quickfall	Housing Planning Secretariat, Alberta Municipal Affairs
Larry Allan	Manager, Market and Economic Analysis, Alberta Municipal Affairs
Susan A. Williams	Analyst, Planning and Provincial Cooperation, Alberta Treasury Department
Harvey Crone	Director of Corporate Forecasting, Planning and Building Department, City of Edmonton
Heather McRae	Planning and Building Department, City of Edmonton
Jim Anderson	Manager of Housing, City of Calgary Land Department
Ron Axelson	Executive Director, Alberta Home Builders' Association
Frank Markson	Executive Director, Urban Development Institute, Greater Edmonton Chapter
Rudy Koop	UDI, Greater Edmonton Chapter
George Hilton	Manager, Mortgage Insurance Company of Canada, Edmonton
Ed Machej	Manager, Mortgage Insurance Company of Canada, Calgary
Ron Gratton	Mortgage Department, Royal Bank of Canada

<u>Name</u>	<u>Affiliation</u>
Gordon Morrison	Mortgage Department, Toronto Dominion Bank
Bob Emerson	Mortgage Department, Toronto Dominion Bank
Orland Nelson	Clayton Research Associates, Calgary
Lynn Hannley	Director, Communitas Inc., Edmonton
Paul Hartman	Private Consultant, Edmonton
Dr. Stuart McFadyen	Faculty of Business, University of Alberta
Dr. Ted Chambers	Faculty of Business, University of Alberta
Mike Young	Provincial Director, Alberta, Canada Mortgage and Housing Corporation
Laurie Scott	Market Analyst, CMHC, Edmonton
Steve Hall	Regional Economist, CMHC, Saskatoon
Chris Terry	Senior Researcher, Research Division, CMHC National Office, Ottawa
Dr. Alan F.J. Artibise	Director, Institute of Urban Studies
Dr. Tom Carter	Assistant Director, IUS
Catherine Charette	Senior Research Officer, IUS
Deborah M. Lyon	Research Officer, IUS
Dr. Robert Robson	CMHC Research Fellow, IUS

## APPENDIX C

## Statistical Data

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## Statistical Data (Continued)

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TABLE 1

Population in Alberta by Age Group <sup>1,2</sup>

<u>Population by Age Group</u>						
<u>Year</u>	<u>Total</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>
1961	1,331,944	179,888	159,053	130,383	99,004	89,154
1966	1,463,203	173,568	179,540	157,658	128,999	102,005
1971	1,627,875	151,625	180,760	182,125	160,890	142,260
1976	1,838,035	152,925	162,995	187,210	193,215	186,005
1981	2,237,725	187,965	174,150	179,555	214,430	264,330
Projected - - - - -						
				( '000)		
1986	2,337.3	198.3	180.3	168.7	180.5	218.6
1991	2,373.8	172.1	188.7	172.3	168.0	180.9
1996	2,446.8	145.1	170.2	183.6	174.9	176.1
2001	2,514.4	132.4	145.7	167.7	187.0	183.2
2006	2,567.3	132.1	132.8	144.1	172.2	194.8

**SOURCES:**

- M.V. George and J. Perreault, Population Projections for Canada, Provinces and Territories, 1984-2006 (Ottawa: Statistics Canada/Minister of Supply and Services Canada, May 1985). (Catalogue #91-520)
- Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

**NOTES:**

<sup>1</sup>Totals may not reconcile exactly due to the Statistics Canada practice of rounding.

<sup>2</sup>The projections, published by Statistics Canada in 1985, are based on 1983 population estimates and recent demographic trends. The assumptions were most fully developed to 1996; projections for 2001 and 2006 should be viewed with caution. Five projections were published reflecting different assumptions about demographic trends. The data used above are from Projection #1, a scenario considered to incorporate the most plausible course of events in the short term. The scenario also is consistent with Projection A in a series published by Statistics Canada in 1981.



TABLE 1 CONTINUED

## Population in Alberta by Age Group

<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65-74</u>	<u>75+</u>
192,571	172,623	128,547	87,643	59,529	33,549
186,681	184,532	145,224	100,986	63,095	40,915
218,670	193,155	162,570	117,075	72,110	46,635
293,995	205,825	183,395	134,550	85,525	52,400
435,555	259,315	203,730	155,305	100,545	62,835
-----					
482.9	329.0	214.7	175.2	114.5	74.6
450.0	395.1	241.9	185.1	130.6	89.1
403.3	438.6	306.2	195.3	147.5	105.7
375.4	440.9	374.5	224.0	157.8	125.6
375.2	404.8	417.7	283.7	166.8	143.1

TABLE 2

Comparison of Population Projections for Alberta, 1986-2006

Year	Projected Total Population			
	Statistics Canada (1985)	Alberta Bureau of Statistics (1986)		
	<u>Projection #1</u>	<u>Projection Series A</u> ( <sup>'000</sup> )	<u>Projection Series B</u>	<u>Projection Series C</u>
1986	2,337.3	2,396.0	2,415.8	2,432.3
1991	2,373.8	2,585.9	2,621.5	2,646.8
1996	2,446.8	2,799.8	2,850.3	2,881.5
2001	2,514.4	3,028.5	3,092.0	3,133.0
2006	2,567.3	3,261.0	3,336.3	3,389.9
Change, 1986-2006				
No.	230.0	865.0	920.5	957.6
Per Cent	9.8	36.1	38.1	39.4

**SOURCES:**

- Alberta Bureau of Statistics, Alberta Statistical Review, Third Quarter, 1986.
- M.V. George and J. Perreault, Population Projections for Canada, Provinces and Territories, 1984-2006 (Ottawa: Statistics Canada/Minister of Supply and Services Canada, May 1985).

TABLE 3

Five-Year Changes in Alberta's Population by Age Group, 1971-2001

<u>Years</u>	<u>Change by Age Group</u>					<u>TOTAL</u>
	<u>0-14</u>	<u>15-24</u>	<u>25-44</u>	<u>45-64</u>	<u>65+</u>	
1971-1976	-11,380	76,070	87,995	38,300	19,180	210,165
1976-1981	38,540	99,540	195,050	41,090	25,455	399,675
Projected - - - - -	( '000)					
Statistics Canada: <sup>1</sup>						
1981-1986	5.6	-79.7	117.0	30.9	25.7	99.5
1986-1991	-14.2	-50.2	33.2	37.1	30.6	36.5
1991-1996	-34.2	2.1	-3.2	74.5	33.5	72.7
1996-2001	-53.1	19.2	-25.6	97.0	30.2	67.7
Alberta Bureau of Statistics: <sup>2</sup>						
1981-1986	40.1	-92.5	152.5	34.9	23.2	158.2
1986-1991	50.1	-21.7	81.1	50.7	29.7	189.9
1991-1996	31.3	24.8	30.8	96.5	30.5	213.9
1996-2001	-3.9	64.4	3.1	138.5	26.6	228.7

**SOURCES:**

- Alberta Bureau of Statistics, Alberta Statistical Review, Third Quarter, 1986.
- M.V. George and J. Perreault, Population Projections for Canada, Provinces and Territories, 1984-2006 (Ottawa: Statistics Canada/Minister of Supply and Services Canada, May 1985).
- Statistics Canada, Census of Canada, 1971, 1976, 1981.

**NOTES:**

- <sup>1</sup>Projection #1 in the series.
- <sup>2</sup>Projection A in the series.

TABLE 4

## Population Change - Alberta, Calgary and Edmonton

<u>Year</u>	<u>Alberta</u>		<u>Calgary CMA</u>		<u>Edmonton CMA</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
1961	1,331,944	-	279,062	-	337,568	-
1966	1,463,203	9.8	330,575	18.5	401,299	18.9
1971	1,627,875	11.2	403,320	22.0	495,705	23.5
1976	1,838,035	12.9	469,915	16.5	554,230	11.8
1981	2,237,725	21.7	592,740	26.1	657,060	18.5

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 5

## Estimated Net Migration - Alberta

<u>Period</u> <sup>1</sup>	<u>Net International Migration</u>	<u>Net Interprovincial Migration</u>	<u>Total Net Migration</u>
1961-62	-615	7,205	6,590
1962-63	-1,222	4,991	3,769
1963-64	-1,472	-397	-1,869
1964-65	-841	-4,196	-5,037
1965-66	1,571	-9,586	-8,015
1966-67	5,916	22	5,938
1967-68	7,716	7,523	15,239
1968-69	7,882	8,634	16,516
1969-70	7,759	8,922	16,681
1970-71	6,644	6,905	13,549
1971-72	3,377	3,575	6,952
1972-73	4,406	5,564	9,970
1973-74	7,199	2,235	9,434
1974-75	9,591	22,576	32,167
1975-76	10,844	24,621	35,465
1976-77	6,813	34,710	41,523
1977-78	4,188	32,543	36,731
1978-79	1,405	33,426	34,831
1979-80	10,098	41,435	51,533
1980-81	13,268	44,250	57,518
1981-82 <sup>2</sup>	13,873	36,562	50,435
1982-83 <sup>2</sup>	7,156	-11,650	-4,494
1983-84 <sup>2</sup>	3,459	-42,784	-39,325
1984-85 <sup>2</sup>	2,545	-27,361	-24,816

## SOURCES:

- Statistics Canada, Current Demographic Analysis - Report on the Demographic Situation in Canada 1983 (Catalogue #91-209E).
- Statistics Canada, International and Interprovincial Migration in Canada (Catalogue #91-208).
- Statistics Canada, Postcensal and Annual Estimates of Population by Marital Status, Age, Sex and Components of Growth for Canada, Provinces and Territories, June 1, 1985 (Catalogue #91-210).

## NOTES:

<sup>1</sup>Based on a June to May year.

<sup>2</sup>Preliminary estimates.

TABLE 6

## Population in the Calgary CMA by Age Group

Age Group	Total 1981	Population Change			
		1961-66	1966-71	1971-76	1976-81
0-14	126,950	17,782	11,203	-3,135	7,025
15-24	135,110	14,250	25,961	23,110	34,700
25-44	201,500	6,950	18,933	27,160	61,485
45-64	92,835	9,838	13,260	14,410	13,720
65+	36,365	2,693	3,383	5,040	5,930
TOTAL	592,760	51,513	72,740	66,585	122,860
Total as a % of Alberta's population	26.5%				

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 7

## Population in the Edmonton CMA by Age Group

<u>Age Group</u>	<u>Total 1981</u>	<u>Population Change</u>			
		<u>1961-66</u>	<u>1966-71</u>	<u>1971-76</u>	<u>1976-81</u>
0-14	146,965	20,625	14,249	-9,655	4,105
15-24	148,950	18,641	31,941	24,860	25,050
25-44	211,540	8,867	23,207	24,040	53,195
45-64	106,380	11,854	18,800	13,005	13,025
65+	43,210	3,744	6,214	6,260	7,450
<b>TOTAL</b>	<b>657,045</b>	<b>63,731</b>	<b>94,411</b>	<b>58,510</b>	<b>102,825</b>
Total as a % of Alberta's population	29.4%				

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 8

## Aging of Alberta's Population

<u>Year</u>	<u>Median Age</u>	<u>% of Population in Prime Household Formation and Home-Buying Age Group (20-34 years)</u>	<u>% of Elderly Persons (65+ years)</u>
1961	n/a	21.2 %	7.0 %
1966	n/a	19.7	7.1
1971	24.9	22.2	7.3
1976	26.1	26.1	7.5
1981	26.9	31.3	7.3
Projected - - - - -			
1986	29.4	30.0	8.1
1991	32.0	26.6	9.3
1996	34.3	23.7	10.3
2001	36.6	22.2	11.3
2006	38.4	22.2	12.1

**SOURCES:**

- M.V. George and J. Perreault, Population Projections for Canada, Provinces and Territories, 1984-2006 (Ottawa: Statistics Canada/Minister of Supply and Services Canada, May 1985).
- Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.



TABLE 9

Population and Households in Alberta<sup>1</sup>

<u>Year</u>	<u>Population</u>	<u>Total No. of Private Households</u>	<u>No. of Family Households</u>	<u>No. of Non-Family Households</u>	<u>Average No. of Persons/Household</u>
1961	1,331,944	349,816	295,451	54,365	3.7
1966	1,463,203	393,707	324,468	69,239	3.6
1971	1,627,875	464,943	374,820	90,120	3.4
1976	1,838,035	575,280	443,735	131,545	3.1
1981	2,237,725	758,240	558,785	199,455	2.9
Projected - - - - -					
('000)					
1986 - A	2,337.3	827.7	600.2	227.5	2.80
B	2,342.7	838.4	616.5	221.9	2.79
C	2,409.9	859.8	633.1	226.7	2.79
1991 - A	2,373.8	933.3	665.4	267.9	2.69
B	2,409.1	951.9	695.6	256.3	2.68
C	2,670.5	991.7	726.5	265.2	2.68
1996 - A	2,446.8	1,007.6	720.9	286.7	2.66
B	2,537.1	1,040.7	765.3	275.4	2.63
C	2,948.8	1,097.6	810.1	287.5	2.63

## SOURCES:

- Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.
- Statistics Canada, Household and Family Projections: Canada, Provinces and Territories, 1976-2001, December 1981 (Catalogue #91-522).
- Statistics Canada, Market Research Handbook 1984, Tables 3-41 and 3-43 (Catalogue #63-224).

## NOTE:

<sup>1</sup>The projections were published by Statistics Canada in 1981. Four data sets were produced based on differing assumptions about migration, mortality, headship rates, fertility, etc. Projection A is consistent with the projection data used in Table 1.

TABLE 10

## Distribution of Households in Alberta

<u>Year</u>	<u>Rural Households</u>	<u>Urban Households</u>	<u>Households in Calgary CMA</u>	<u>Households in Edmonton CMA</u>
1961	34.5 %	65.5 %	22.4 %	25.4 %
1966	28.8	71.2	24.1	28.0
1971	24.0	76.0	26.1	31.1
1976	22.1	77.9	27.0	31.2
1981	19.7	80.3	27.8	30.6
Change 1961-81	+23.9 %	+165.8 %	+168.9 %	+160.4 %

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 11

Change in Rural and Urban Households in Alberta<sup>1</sup>

<u>Period</u>	<u>Change in Number of Private Households</u>	<u>Change in Rural Households</u>			<u>Change in Urban Households</u>
		<u>Total</u>	<u>Farm</u>	<u>Non-Farm</u>	
1961-66	+12.5 %	-6.3 %	-0.3 %	-14.0 %	+22.5 %
1966-71	+18.1	-1.3	-14.9	+19.1	+25.9
1971-76	+23.7	+13.8	-15.9	+45.6	+26.9
1976-81	+31.8	+17.7	+4.4	+26.0	+35.8

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

**NOTE:**

<sup>1</sup>Definition of "urban," "rural," "farm" and "non-farm" were altered during the period reviewed above. A number of changes were made in the classification of rural farm/non-farm populations. In the case of "urban," population density was added to population concentration as a criterion for determining what to include in the "urban" data from 1971 onward.

TABLE 12

## Distribution of Households in Alberta by Household Type

<u>Year</u>	<u>Family</u>	<u>Non-Family</u>
1961	84.5 %	15.5 %
1966	82.4	17.6
1971	80.6	19.4
1976	77.1	22.9
1981	73.7	26.3
Projected - - - - -		
1986 <sup>1</sup>	72.5	27.5
1991 <sup>1</sup>	71.3	28.7
1996 <sup>1</sup>	71.5	28.5

**SOURCES:**

- Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981
- Statistics Canada, Household and Family Projections: Canada, Provinces and Territories, 1976-2001, December 1981 (Catalogue #91-522).
- Statistics Canada, Market Research Handbook 1984, Tables 3-41 and 3-43 (Catalogue #63-224).

**NOTE:**

<sup>1</sup>Based on Projection A in Table 9.

TABLE 13

## Calgary Households by Size

Number of Persons Per Household	1961		1971		1981	
	No.	%	No.	%	No.	%
One	9,508	12.1	18,755	15.5	43,480	20.6
Two	18,537	23.7	31,345	25.8	66,030	31.3
Three	14,251	18.2	20,640	17.0	37,985	18.0
Four-Five	26,528	33.8	37,490	30.9	54,995	26.1
Six-Plus	9,572	12.2	13,065	10.8	8,340	4.0
<b>TOTAL</b>	<b>78,396</b>	<b>100.0</b>	<b>121,295</b>	<b>100.0</b>	<b>210,830</b>	<b>100.0</b>
 Average No. of Persons/Household	 3.4		 3.3		 2.8	

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 14

## Edmonton Households by Size

Number of Persons Per Household	1961		1971		1981	
	No.	%	No.	%	No.	%
One	9,097	10.2	21,050	14.5	49,765	21.5
Two	19,059	21.4	36,400	25.1	69,145	29.8
Three	16,006	18.0	25,205	17.4	41,110	17.7
Four-Five	31,157	35.0	44,660	30.9	61,575	26.6
Six-Plus	13,690	15.4	17,500	12.1	10,230	4.4
TOTAL	89,009	100.0	144,815	100.0	231,825	100.0
Average No. of Persons/Household	3.7		3.3		2.8	

**SOURCE:**

Statistics Canada/Dominion Bureau of Statistics, Census of Canada, 1961, 1966, 1971, 1976 and 1981.

TABLE 15

Dwelling Starts in Alberta by Area  
(five-year annual averages)<sup>1</sup>

<u>Period</u>	<u>Alberta</u>	<u>Calgary CMA</u>	<u>Edmonton CMA</u>	<u>Other Urban</u>	<u>Rural and Urban Places Under 10,000 Population</u>
1961-65	12,597	4,257	4,752	907 <sup>2</sup>	2,681 <sup>2</sup>
1966-70	16,116	6,203	6,999	744	2,169
1971-75	22,560	7,438	8,436	2,307	4,379
1976-80	39,350	12,684	12,781	4,843	9,041
1981-85	19,605	6,755	6,620	2,515	3,715

**SOURCE:**

Canada Mortgage and Housing Corporation, Canadian Housing Statistics, selected issues.

**NOTES:**

<sup>1</sup>Totals may not reconcile due to rounding.

<sup>2</sup>For centres of 5,000 population over/under in 1961 only.

TABLE 16

Distribution of Dwelling Starts by Area - Alberta  
(based on five-year annual averages)

<u>Period</u>	<u>Calgary CMA</u>	<u>Edmonton CMA</u>	<u>Other Urban</u>	<u>Rural and Urban Places Under 10,000 Population</u>
1961-65	33.8 %	37.7 %	7.2 % <sup>1</sup>	21.3 % <sup>1</sup>
1966-70	38.5	43.4	4.6	13.5
1971-75	33.0	37.4	10.2	19.4
1976-80	32.2	32.5	12.3	23.0
1981-85	34.5	33.8	12.8	18.9

**SOURCE:**

Canada Mortgage and Housing Corporation, Canadian Housing Statistics, selected issues.

**NOTE:**

<sup>1</sup>For centres of 5,000 population over/under in 1961 only.



TABLE 17

Alberta Dwelling Starts by Unit Type  
(five-year annual averages)

<u>Period</u>	<u>Single-Detached</u>		<u>Multiple</u>	
	<u>No.</u>	<u>% of All Starts</u>	<u>No.</u>	<u>% of All Starts</u>
1961-65	8,464	67.2	4,133	32.8
1966-70	6,919	42.9	9,197	57.1
1971-75	12,956	57.4	9,604	42.6
1976-80	17,733	45.1	21,617	54.9
1981-85	10,689	54.5	8,916	45.5
1986 (Jan.-Sept.)	5,441	87.2	802	12.8

**SOURCE:**

Canada Mortgage and Housing Corporation, Canadian Housing Statistics, selected issues.

TABLE 18

Dwelling Completions by Intended Market - Alberta  
(for centres of 10,000+ population only)

<u>Year</u>	<u>Total Completions</u>	<u>Completions in Centres of 10,000+ Only</u>	<u>Intended Market</u>				<u>Not Available</u>
			<u>Home-ownership</u>	<u>Condominium</u>	<u>Rental</u>	<u>Other</u>	
1981	34,755	29,460	16,868	2,579	9,225	362	426
1982	31,364	26,436	9,169	1,816	15,406	39	6
1983	24,693	20,366	8,615	468	11,274	9	-
1984	12,057	9,383	6,429	197	2,613	144	-
1985	7,517	5,473	4,874	-	587	12	-

**SOURCE:**

Canada Mortgage and Housing Corporation, Statistical Services Division, January 1986.

CHART 1

Dwelling Starts Per 100,000 Population,  
Canada and Selected Provinces

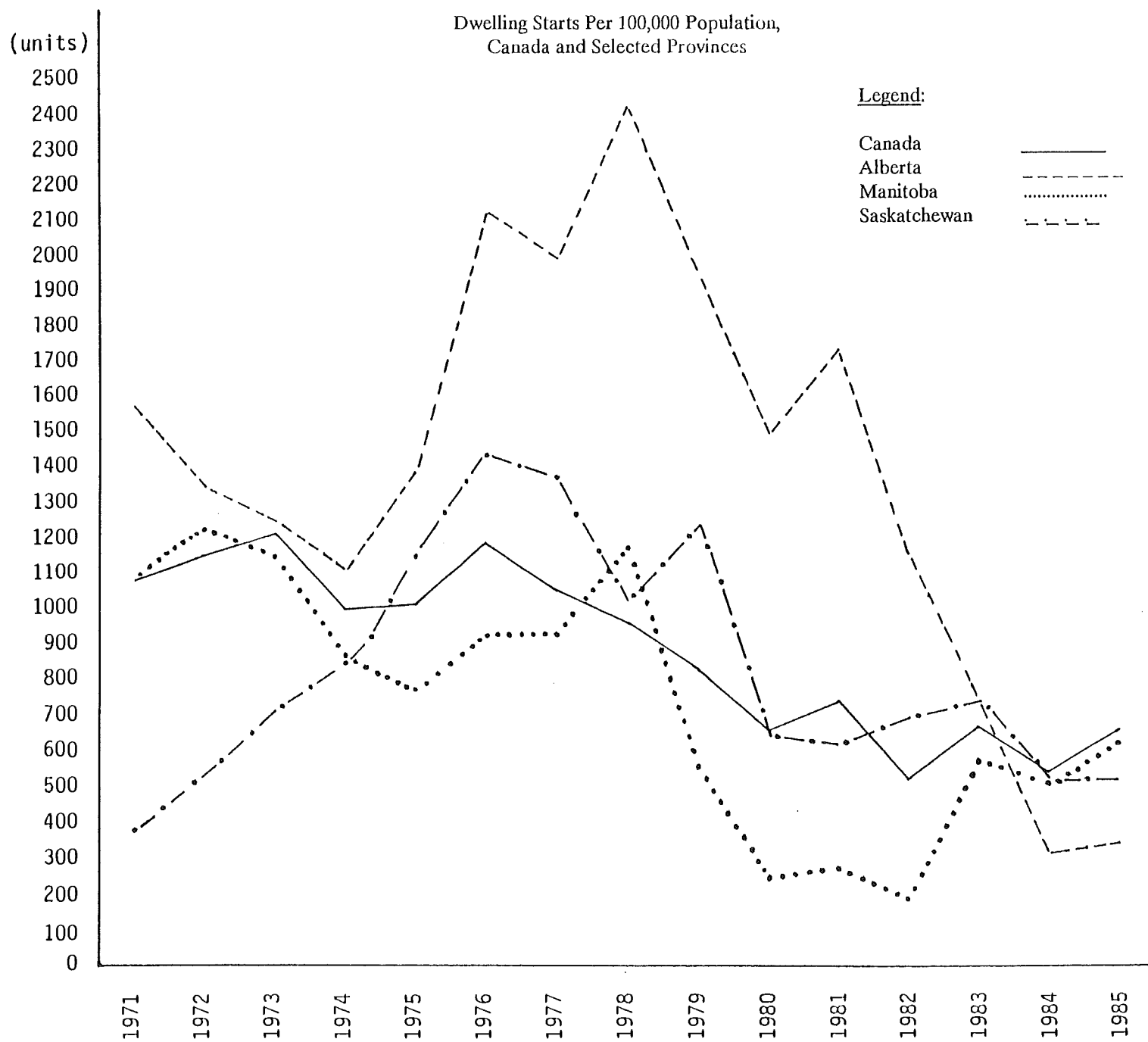


TABLE 19

Value of Residential Construction in Alberta<sup>1</sup>

<u>Year</u>	<u>Total</u> <sup>2</sup>	<u>New</u> <sup>3</sup>	<u>Repair</u> <sup>4</sup>	<u>Repair as % of Total</u>
	(\$ '000)			
1971	\$ 492,312	\$ 415,773	\$ 76,539	15.5 %
1972	538,147	454,825	83,322	15.5
1973	587,655	492,822	94,833	16.1
1974	694,094	590,756	103,338	14.9
1975	849,371	735,859	113,512	13.4
1976	1,699,786	1,563,861	135,925	8.0
1977	1,833,362	1,674,266	159,096	8.7
1978	2,426,816	2,252,134	174,682	7.2
1979	2,646,954	2,438,977	207,977	7.8
1980	2,478,510	2,243,261	235,249	9.5
1981	2,829,941	2,555,753	274,188	9.7
1982	2,319,425	2,021,113	298,312	12.9
1983	1,809,368	1,474,274	335,094	18.5
1984 <sup>5</sup>	1,150,937	802,337	348,600	30.3
1985 <sup>5</sup>	1,121,436	758,596	362,840	32.3

**SOURCE:**

Statistics Canada, Construction in Canada (Catalogues #64-201 and #64-502).

**NOTES:**

<sup>1</sup>In current dollars.

<sup>2</sup>Excludes purchase of land and existing buildings. Includes all permanent built-in equipment forming an integral part of the structure, site preparation and land improvements. Beginning in 1976, re-insulation, landscaping and other alterations also included.

<sup>3</sup>Includes all new work plus additions, major renovations, conversions and alterations where either a structural change occurs or the life of the asset is extended beyond normal life expectancy.

<sup>4</sup>Minor renovations or alterations made to maintain the operating efficiency of structures.

<sup>5</sup>1984 data are preliminary; 1985 data are estimates.

CHART 2

Value of Residential Construction Per 100,000 Population (in current dollars)

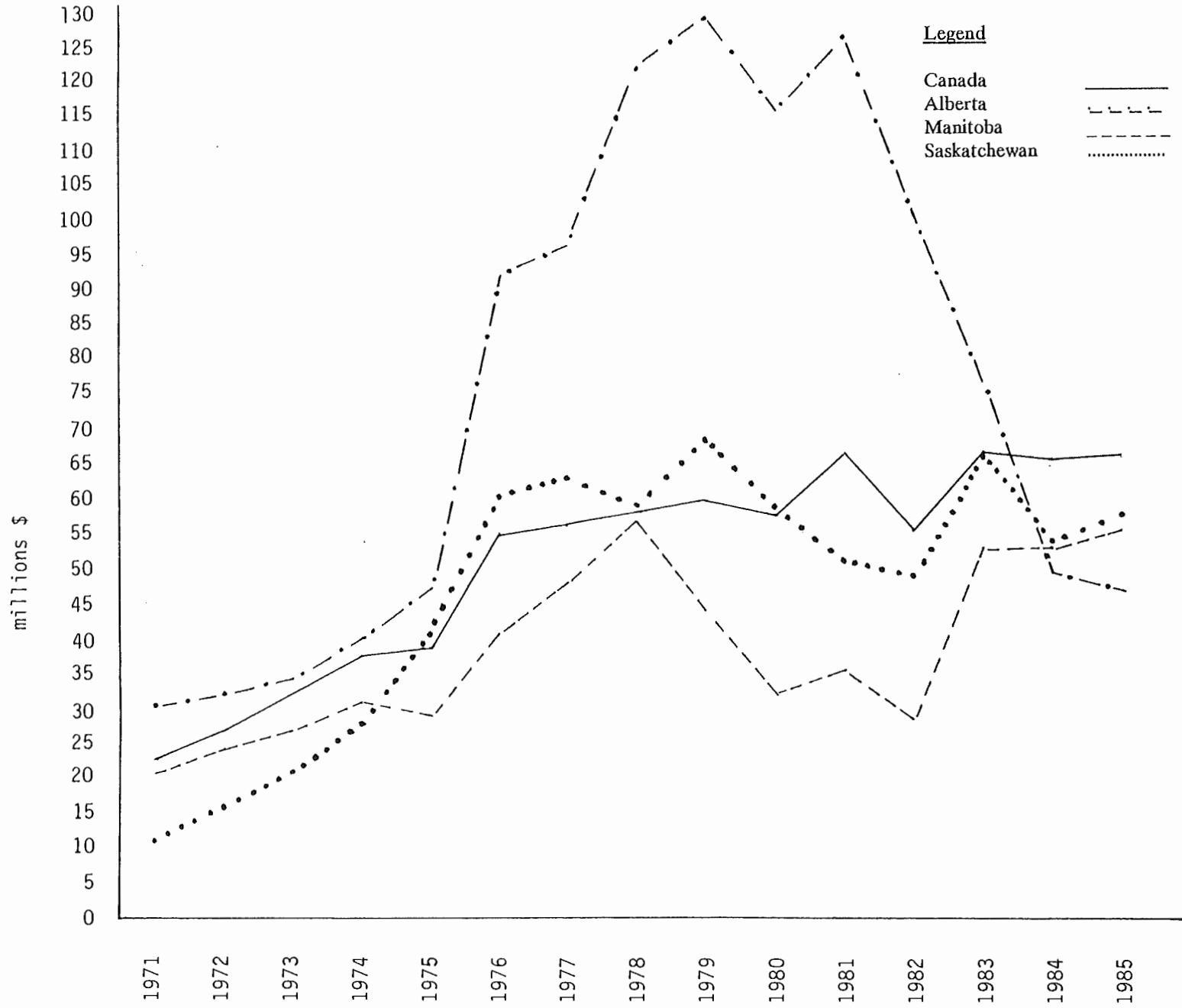


TABLE 20

Occupied Private Dwellings by Type, 1981<sup>1</sup>

Structure/ Ownership	Alberta		Calgary CMA		Edmonton CMA	
	Number	% of Total	Number	% of Total	Number	% of Total
A. Overall Total	758,240	100.0	210,835	100.0	231,815	100.0
B. Owned	478,210	63.1	120,735	57.3	128,175	55.3
single detached	402,490	84.2	99,715	82.6	110,360	86.1
apt. (5+ storeys)	2,060	0.4	860	0.7	1,130	0.9
apt. (<5 storeys)	3,475	0.7	1,560	1.3	1,540	1.2
single attached	30,135	6.3	13,420	11.1	11,075	8.6
duplex	5,415	1.1	2,760	2.3	1,390	1.1
movable dwellings	34,635	7.3	2,420	2.0	2,680	2.1
C. Rented	280,030	36.9	90,100	42.7	103,640	44.7
single detached	70,705	25.2	15,745	17.5	18,675	18.0
apt. (5+ storeys)	35,490	12.7	16,420	18.2	16,900	16.3
apt. (<5 storeys)	105,220	37.6	31,940	35.5	47,340	45.7
single attached	48,110	17.2	18,215	20.2	17,235	16.6
duplex	14,720	5.2	7,670	8.5	3,215	3.1
movable dwellings	5,780	2.1	115	0.1	275	0.3

## SOURCE:

Statistics Canada, Census of Canada.

## NOTE:

<sup>1</sup>Totals may not reconcile due to the Statistics Canada practice of rounding.

TABLE 21

## Occupied Private Dwellings by Age, 1981

Age of Structure	Alberta		Calgary CMA		Edmonton CMA	
	No.	%	No.	%	No.	%
1920 or earlier	28,790	3.8	6,245	3.0	4,645	2.0
1921-1945	59,485	7.8	11,180	5.3	12,835	5.5
1946-1960	153,845	20.3	42,565	20.2	52,875	22.8
1961-1970	161,950	21.4	49,670	23.5	58,580	25.3
1971-1981 <sup>1</sup>	354,170	46.7	101,165	48.0	102,885	44.4
TOTAL	758,240	100.0	210,825	100.0	231,820	100.0

## SOURCE:

Statistics Canada, Census of Canada.

## NOTE:

<sup>1</sup>For the first five months of 1981 only.

TABLE 22

Dwelling Conditions in Alberta (1981 Census)<sup>1</sup>

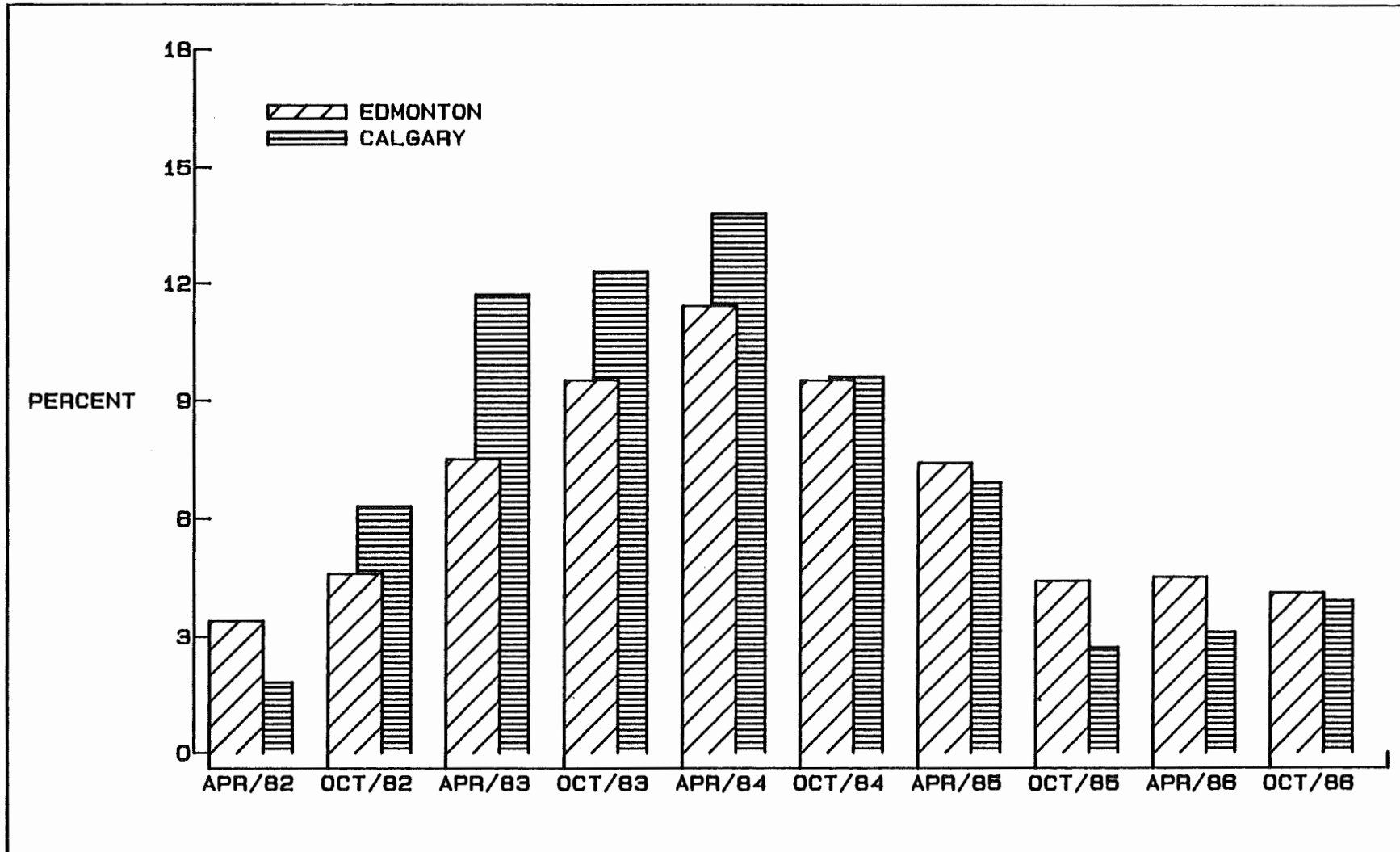
	<u>Number</u>	<u>%</u>
<u>Total Occupied Private Dwellings</u>	758,240	100.0
require major repair	45,170	6.0
require minor repair	<u>128,940</u>	<u>17.0</u>
subtotal	174,110	23.0
 <u>Require Major Repair</u>		
owned	25,390	56.2
rented	<u>19,785</u>	<u>43.8</u>
subtotal	45,175	100.0
 <u>Require Minor Repair</u>		
owned	77,955	60.5
rented	<u>50,990</u>	<u>39.5</u>
subtotal	128,945	100.0
 <u>Major Repair by Age of Structure</u>		<u>% of Age Group</u>
1920 or earlier	6,095	21.2
1921-1945	10,120	17.0
1946-1960	13,460	8.7
1961-1970	7,695	4.7
1971-1981 <sup>2</sup>	<u>7,795</u>	<u>2.2</u>
subtotal	45,165	6.0
 <u>Major Repair by Structure Type</u>		<u>% of Category Type</u>
single-detached	32,020	6.8
apartment	6,820	4.7
row/duplex	4,570	4.6
other	<u>1,770</u>	<u>4.4</u>
subtotal	45,180	6.0
 <u>Major Repair by Area</u>		<u>%</u>
Calgary	9,605	21.3
Edmonton	10,675	23.6
Other	<u>24,890</u>	<u>55.1</u>
subtotal	45,170	100.0

**SOURCE:**Statistics Canada, 1981 Census of Canada.**NOTES:**<sup>1</sup>Totals may not reconcile due to the Statistics Canada practice of rounding.<sup>2</sup>1981 data are for the first five months of the year only.



CHART 3

Rental Vacancy Rates in Calgary and Edmonton, 1982-1986



SOURCE:  
Canada Mortgage and Housing Corporation.

TABLE 23

Apartment Vacancy Rates in Smaller Albertan Centres<sup>1</sup>

<u>Centres</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
			(%)		
Airdrie	8.1	30.1	33.5	19.6	7.3
Camrose	6.7	8.3	11.2	9.2	6.4
Drumheller	0.9	3.3	7.9	6.7	11.8
Fort McMurray	12.2	12.6	3.8	6.9	27.4
Fort Saskatchewan	1.2	3.8	8.7	13.9	7.2
Grande Prairie	25.9	22.4	15.3	2.3	10.1
Leduc	6.0	11.2	12.1	6.3	4.2
Lethbridge	2.4	5.8	-	6.1	5.9
Lloydminster	12.1	10.3	7.5	0.3	16.3
Medicine Hat	8.9	6.9	8.8	5.7	2.1
Red Deer	10.5	11.4	11.8	4.7	1.7
St. Albert	3.8	10.6	10.5	7.0	4.7
Spruce Grove	9.6	6.2	15.0	23.8	2.2
Wetaskiwin	-	5.9	8.9	11.9	4.1
City Average	10.1	10.7	10.3	5.8	8.1
Town Average	7.9	12.7	14.0	9.0	9.3
Overall Average	9.1	11.6	11.8	7.1	8.6

**SOURCE:**

Alberta Municipal Affairs

**NOTE:**<sup>1</sup>As of August. Based on an annual survey.

TABLE 24

## New Housing Price Indices - Selected Prairie Centres (1981 = 100)

<u>Year</u>	<u>Calgary</u>		<u>Edmonton</u>		<u>Regina</u>		<u>Winnipeg</u>	
	<u>Index</u>	<u>Change</u> %	<u>Index</u>	<u>Change</u> %	<u>Index</u>	<u>Change</u> %	<u>Index</u>	<u>Change</u> %
<u>A. Total Selling Price</u>								
1982	101.2	1.2	98.1	-1.9	104.6	4.6	106.6	6.6
1983	88.3	-12.7	90.5	-7.7	107.0	2.3	109.1	2.3
1984	81.7	-7.5	85.0	-6.1	108.5	1.4	113.3	3.8
1985	83.7	2.4	79.8	-6.1	109.5	0.9	119.2	5.2
<u>B. Land Only</u>								
1982	101.8	1.8	99.1	-0.9	109.1	9.1	109.5	9.5
1983	98.5	-3.2	83.8	-15.4	114.7	5.1	119.5	9.1
1984	94.7	-3.9	77.8	-7.2	128.5	12.0	126.7	6.0
1985	97.9	3.4	73.7	-5.3	133.8	4.1	135.7	7.1
<u>C. House Only</u>								
1982	100.9	0.9	97.6	-2.4	103.5	3.5	107.1	7.1
1983	84.2	-16.5	93.8	-3.9	105.2	1.6	107.8	0.6
1984	76.4	-9.3	88.5	-5.6	103.6	-1.5	111.1	3.1
1985	78.1	2.2	83.4	-5.8	102.8	-0.8	116.0	4.4

**SOURCE:**Statistics Canada, Construction Price Statistics (Catalogue #62-007).

TABLE 25

## Summary of MLS Residential Sales Data: Calgary

<u>Year</u>	<u>Listings</u>	<u>Sales</u>	<u>Ratio Sales/Listings</u>	<u>Average Unit Price<sup>1</sup></u>	<u>Annual Average Price Change (%)</u>	<u>Ratio: MLS Sales/Single Starts</u>
1976	12,096	5,451	0.45	\$ 64,800	-	1.3
1977	13,659	8,260	0.60	66,400	2.5	2.3
1978	15,490	8,334	0.54	75,500	13.7	1.7
1979	17,505	9,816	0.56	82,400	9.1	1.9
1980	19,972	11,619	0.58	93,800	13.8	2.1
1981	24,664	11,775	0.48	107,700	14.8	1.7
1982	28,904	6,852	0.24	106,300	-1.3	2.2
1983	22,733	6,713	0.29	99,695	-6.2	2.2
1984	22,488	9,181	0.41	86,723	-13.0	5.2
1985	22,588	14,274	0.63	80,462	-7.2	6.2
1986	24,336	11,295	0.46	86,481	7.5	-

**SOURCE:**

- Alberta Treasury, Bureau of Statistics, Alberta Statistical Review Annual, selected issues.
- Calgary Real Estate Board

**NOTE:**

<sup>1</sup>In current dollars.

TABLE 26

## Summary of MLS Residential Sales Data: Edmonton

<u>Year</u>	<u>Listings</u>	<u>Sales</u>	<u>Ratio: Sales/Listings</u>	<u>Average Unit Price<sup>1</sup></u>	<u>Annual Average Price Change (%)</u>	<u>Ratio: MLS Sales/Single Starts</u>
1976	12,159	5,152	0.42	\$ 59,000	-	0.98
1977	12,563	6,885	0.55	62,500	5.9	1.74
1978	12,875	6,916	0.54	71,500	14.4	1.12
1979	17,171	7,616	0.44	79,000	10.5	1.44
1980	17,681	8,183	0.46	84,700	7.2	2.23
1981	18,293	7,466	0.41	91,500	8.0	1.66
1982	19,566	4,862	0.25	91,400	-0.1	2.21
1983	19,056	5,605	0.29	85,666	-6.2	1.49
1984	17,955	6,002	0.33	79,245	-7.5	2.73
1985	16,513	8,884	0.54	74,175	-6.4	3.66
1986	16,621	8,028	0.48	74,306	0.2	-

**SOURCES:**

- Alberta Treasury, Bureau of Statistics, Alberta Statistical Review Annual, selected issues.
- Edmonton Real Estate Board.

**NOTE:**

<sup>1</sup>In current dollars.

TABLE 27

Consumer Price Indices for Housing - Calgary and Edmonton (1981 = 100.0)

Year	Calgary				Edmonton			
	Housing	Shelter	Rental Accommodation	Owned Accommodation	Housing	Shelter	Rental Accommodation	Owned Accommodation
1972	42.2	42.2	54.7	37.8	41.4	41.7	54.0	36.9
1973	44.3	44.7	55.2	41.3	44.4	45.0	54.8	41.4
1974	47.4	47.4	55.9	44.7	48.6	48.6	55.8	45.9
1975	53.3	52.9	59.6	50.7	54.2	53.7	59.8	51.2
1976	61.2	61.4	67.2	59.6	61.8	62.2	67.6	59.7
1977	68.0	68.8	73.0	67.4	68.8	68.9	74.0	66.6
1978	73.0	74.0	78.5	72.6	74.4	74.6	79.9	72.1
1979	78.7	79.7	83.0	78.6	80.5	81.4	85.2	79.5
1980	86.7	87.4	89.2	86.8	87.9	88.6	91.4	87.3
1981	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1982	116.1	115.9	115.8	115.9	112.7	112.9	111.2	113.7
1983	119.8	121.0	114.2	118.5	118.8	119.9	114.8	119.9
1984	119.0	118.5	108.2	115.8	119.1	119.2	113.1	119.0
1985	120.0	118.5	106.9	115.8	120.5	119.4	112.7	117.1
1986 <sup>1</sup>	122.2	120.7	109.5	116.9	122.4	120.9	113.9	118.1

## SOURCES:

- Alberta Treasury, Bureau of Statistics, Alberta Statistical Review Annual, selected issues.
- Statistics Canada, Consumer Prices and Price Indexes (Catalogue #62-010).

## NOTE:

<sup>1</sup>For January to September only.

TABLE 28

Estimated Family Incomes In Alberta<sup>1,2</sup>

<u>Year</u>	<u>All Areas</u>			<u>Metropolitan Areas</u>			<u>Non-Metropolitan Areas</u>		
	<u>No.</u> ( <sup>'000</sup> )	<u>Average</u> (\$)	<u>Median</u> (\$)	<u>No.</u> ( <sup>'000</sup> )	<u>Average</u> (\$)	<u>Median</u> (\$)	<u>No.</u> ( <sup>'000</sup> )	<u>Average</u> (\$)	<u>Median</u> (\$)
1975	434	17,005	15,531	258	18,559	16,801	176	14,715	13,099
1977	479	21,251	20,214	280	22,560	21,404	199	19,413	18,429
1979	518	25,884	23,864	296	26,624	24,742	222	24,900	22,801
1981	591	34,546	31,862	306	37,212	34,574	285	31,678	28,769
1982	620	38,347	35,299	344	40,641	38,051	276	35,495	31,814
1984	616	37,670	34,145	348	39,087	35,126	268	35,827	32,911
1985	626	40,736	36,490	354	43,125	38,806	271	37,617	33,356

**SOURCE:**

Statistics Canada, Income Distributions by Size in Canada (Catalogue #13-207).

**NOTES:**

<sup>1</sup>Data are based on an annual survey of private households. Sample size alternates to enable sufficient data to be collected to report provincial (as opposed to regional) incomes on a biennial basis. The pattern was reversed in 1982 when the major survey was switched to even-numbered rather than odd-numbered years.

<sup>2</sup>In current dollars.

TABLE 29

Estimated Family Incomes - Calgary and Edmonton<sup>1,2</sup>

<u>Year</u>	<u>Calgary</u>			<u>Edmonton</u>		
	<u>No.</u> ( <u>'000</u> )	<u>Average</u> ( <u>\$</u> )	<u>Median</u> ( <u>\$</u> )	<u>No.</u> ( <u>'000</u> )	<u>Average</u> ( <u>\$</u> )	<u>Median</u> ( <u>\$</u> )
1975	116	19,316	17,367	134	17,873	16,355
1977	125	22,103	21,249	145	23,136	21,663
1979	129	27,100	24,885	156	26,544	25,028
1981	134	37,129	34,489	172	37,275	34,636
1982	159	42,546	39,317	184	38,992	36,626
1984	154	40,588	36,793	194	37,896	34,257
1985	162	46,677	41,858	193	40,133	36,586

**SOURCE:**

Statistics Canada, Income Distributions by Size in Canada (Catalogue #13-207).

**NOTE:**

<sup>1</sup>Data are based on an annual survey of private households. Sample size alternates to enable sufficient data to be collected to report provincial (as opposed to regional) incomes on a biennial basis. The pattern was reversed in 1982 when the major survey was switched to even-numbered rather than odd-numbered years.

<sup>2</sup>In current dollars.



TABLE 30

Comparison of Changes in Family Income and Housing Costs: Calgary

<u>Period</u>	<u>Average Annual Change (%)</u>				
	<u>Family Income- Average</u>	<u>Family Income- Median</u>	<u>CPI-Shelter Index</u>	<u>MLS Average Unit Price</u>	<u>New Housing Price Index</u>
1975-77	7.2	11.2	15.0	-	-
1977-79	11.3	8.6	7.9	12.0	-
1979-81	18.5	19.3	12.7	15.3	-
1981-82	14.6	14.0	15.9	-1.3	1.2
1982-84	-2.3	-3.2	1.1	-9.2	-9.6
1984-85	15.0	13.8	0	-7.2	2.4

**SOURCES:**

Data from Tables 24, 25, 27, 29.

TABLE 31

Comparison of Changes in Family Income and Housing Costs: Edmonton

<u>Period</u>	<u>Average Annual Change (%)</u>				
	<u>Family Income- Average</u>	<u>Family Income- Median</u>	<u>CPI Shelter Index</u>	<u>MLS Average Unit Price</u>	<u>New Housing Price Index</u>
1975-77	14.7	16.2	14.1	-	-
1977-79	7.4	7.8	9.1	13.2	-
1979-81	20.2	19.2	11.4	7.9	-
1981-82	4.6	5.7	12.9	-0.1	-1.9
1982-84	-1.4	-3.2	2.8	-6.6	-6.7
1984-85	5.9	6.8	0.2	-6.4	-6.1

**SOURCES:**

Data from Tables 24, 26, 27, 29.

TABLE 32

Private Households in Owner-Occupied Non-Farm Dwellings  
Showing Owners' Major Shelter Payments as a Percentage of 1980 Household Income<sup>1</sup>

% of Income to Major Payments	Canada		Prairie Provinces		Alberta	
	Households	% of Households	Households	% of Households	Households	% of Households
< 15%	2,410,845	49.2	408,085	48.4	192,195	44.5
15-19	757,290	15.5	120,760	14.3	58,585	13.6
20-24	574,660	11.7	99,025	11.7	52,550	12.2
25-29	374,740	7.7	70,060	8.3	39,960	9.3
30-34	225,980	4.6	43,465	5.2	26,280	6.1
35-39	135,685	2.8	26,710	3.2	16,625	3.8
40-49	143,525	2.9	26,785	3.2	16,930	3.9
50-plus	273,795	5.6	47,700	5.7	28,490	6.6
TOTAL	4,896,520	100.0	842,590	100.0	431,620	100.0
Average Household Income	\$ 28,822		---		\$ 32,977	

**SOURCE:**

Statistics Canada, Market Research Handbook 1984, Table 5-9. (Based on 1981 census data.)

**NOTE:**

<sup>1</sup>Owners' major payments include electricity; oil, gas, coal, wood or other fuels; water and other municipal services; monthly mortgage payments; and property taxes.

TABLE 33

Private Households in Tenant-Occupied Non-Farm Dwellings  
Showing Gross Rent as a Percentage of 1980 Household Income<sup>1</sup>

% of Income to Gross Rent	Canada		Prairie Provinces		Alberta	
	Households	% of Households	Households	% of Households	Households	% of Households
< 15%	883,225	28.5	110,895	23.0	56,980	20.7
15-19	548,030	17.7	78,600	16.3	44,740	16.3
20-24	432,195	14.0	71,550	14.8	41,600	15.1
25-29	289,330	9.3	56,760	11.7	32,305	11.7
30-34	189,480	6.1	36,660	7.6	21,955	8.0
35-39	133,715	4.3	23,985	5.0	14,850	5.4
40-49	178,285	5.8	28,975	6.0	17,300	6.3
50-plus	443,590	14.3	75,110	15.6	45,430	16.5
TOTALS	3,097,850	100.0	482,535	100.0	275,155	100.0
Average Household Income	17,587		---		\$20,393	

**SOURCE:**

Statistics Canada, Market Research Handbook 1984, Table 5-10. (Based on 1981 census data.)

**NOTE:**

<sup>1</sup>Gross rent is the total average monthly payment for shelter including, where applicable: payments for electricity; fuel; water and other municipal services; and monthly cash rent.

## APPENDIX D

**Technical R&D Priorities in Alberta and Project Examples**  
(proposed projects in bold type)

1. Building Design

Purpose: Improve the value and liveability of moderately-priced housing, especially for special needs groups.

- a self-help senior citizens' housing project
- options for independence for the disabled
- design preferences and trade-offs for moderately priced (i.e., starter) homes
- prototype for higher density family accommodation

2. Construction Technology

Purpose: Develop techniques which improve building performance or reduce construction costs.

- techniques using the air-tight drywall approach
- paint vapour retarders
- condensation in manufactured housing
- development of a component housing system for export (Alberta Export Home)
- precast concrete construction systems for low and mid-rise housing
- new approach to manufactured housing in resource communities
- **opportunities for Canadian/Albertan firms to develop new types of wiring for provision of electronic services in the home**

3. Energy Conservation

Purpose: Develop cost-effective, energy efficient housing; address problems of air quality and ventilation.

- strategy for energy efficient residential land use in Lethbridge
- heating and ventilation for low energy housing
- development of a movable insulating curtain
- grey water heat recovery
- **alternatives to mechanically-based ventilation strategies**

4. Site and Subdivision Design

Purpose: Efficient, effective land use.

- guidelines for residential development in flood plain areas
- earth sheltered row housing
- alternative cul-de-sac design
- cluster housing subdivision

5. Site Servicing Technology

Purpose: Reduce costs of site servicing while maintaining adequate standards.

- reference document on servicing and design practices
- a "smart" subdivision for the future
- foamed asphalt road base using in situ soils
- **biochemical techniques for waste treatment**

6. Residential Building Products

Purpose: Develop cost-effective new or improved products or components, especially those which can be manufactured in Alberta.

- production feasibility and markets for aspen finishing materials
- development of the TTS Wood "I" floor and roof joist system
- tie support system for insulating masonry veneer construction
- trial of Japanese approval processes for residential building products
- **import substitution/export opportunities for Alberta-made products, including use of plastics in housing**

7. Information Technology

Purpose: Application of computer technology to various areas of the industry.

- financial management system for small residential contractors
- computer-aided design
- research and design analysis routine for cost estimating and related tasks for wood-frame residential construction

**SOURCE:** Alberta Municipal Affairs.